Featuring Quebec Mining Stocks

34/24

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The Nation's Business

Parliament's Program for Business
Eight Major Items
Did Bruce "Butt In?"
Only Discussed Empire Matters Here
Canada and Preferences

WHILE the parliamentary session which resumed this week promises little of political excitement a number of major economic questions will have to be dealt with. The most important of these are:

1. The Duncan report on Maritime Rights. This report (at first declared by Mr. King to equal in importance the historic Durham report) is said to be the subject of some division in the cabinet; and there is reason for stating that the government will not attempt to carry out all of its recommendations.

2. The trade treaty entered into with Czecho-Slovakia. This treaty has been the subject of considerable criticism, and it is expected that it will be assailed by the opposition on the ground that it subjects Canadian industry to severe competition without a commensurate return for Canadian exporters.

3. The problem of power development. No steps have yet been taken by the Canadian Advisory Board (which, since the retirement of Mr. Graham, is without a chairman) in regard to the reports of the Joint Canadian - American engineering boards on the development of the St. Lawrence. Regarding Carillon, too, there is a great deal of uncertainty, conflict having arisen between those interested in the Georgian Bay Canal Company and the Shawinigan Power Company, leaving the government in a quandry regarding what it should do.

4. The problem of providing a steamship service between Canada and the West Indies, as provided for by the trade treaty entered into with the islands. This is proving a more thorny question than was anticipated, and there are those who hold that the cost of providing the service, even though it be done by the Canadian Merchant Marine (as now seems to be the plan) will exceed the value of the trade returns to the Dominion.

5. The question of amending the Grain Act so as to give the western wheat pool more control over its shipments of grain. This question was embraced in an amendment to the Grain Act sponsored by Mr. Campbell, a Progressive, last year, but died with the collapse of the last Parliament. This year the government promises to make the legislation, or similar legislation, its own; but it is certain to encounter strong opposition.

6. The question of immigration. The government has two or three important measures to recommend to the House, particularly one dealing with the securing of British boys for to go on the land, in co-operation with the provinces.

7. Further aid for the construction of the Hudson Bay Railway. The government proposes to ask parliament for a further appropriation of $5,000,000; and this is likely to meet with strong opposition.

8. The question of tax reduction. Mr. Robb, who will have a surplus, is known to be anxious to further reduce the income tax; but in this he will be opposed by the Progressives, who want tax reductions to take the form of further decreases in the tariff.

* * *

IS THE prime minister of another Dominion "butting in" when he discusses Imperial affairs in Canada?

"I think the Canadian people will more easily and effectively decide their own matters than will visitors from other countries." The Prime Minister, Mackenzie King, made this declaration in the Hart House debate in Toronto, last week.

Is this not a narrow and provincial viewpoint when it is an Imperial and not a Canadian matter that is under discussion?

Surely we can assume that Canada and Australia are both anxious to promote the interests of the Empire because, in so doing, each will advance its own security and prosperity.

Mr. Bruce was not dealing with a purely domestic matter when he gave statistics showing the amount spent on defence by the various Commonwealths. He was dealing with an Empire matter, and whether we agreed with him or not, Canada should have welcomed his opinion, especially since Mr. Bruce came to us fresh from the environment of an Imperial Conference, where he had rubbed shoulders with representatives from Great Britain and the various Dominions.

* * *

MR. KING criticized the University students, who had preceded him in the debate, for their references to "disgruntled Dutchmen" and "rebellious Irishmen." He said further: "After all, to say that representatives of the Dominions are representatives of 'disgruntled Dutchmen' and 're-

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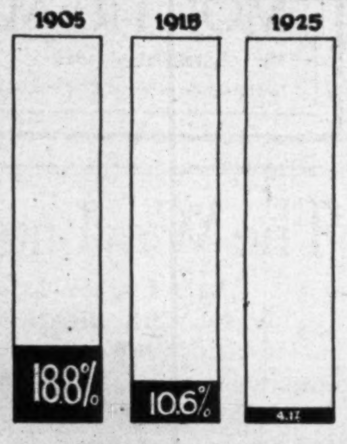
Sees Danger Canadian Fire Insurance Firms Entirely Disappearing



Percentage of Canadian Fire Insurance Carried in Canadian Companies

Gradually Being Swallowed Up by Foreign Groups

FINLAYSON'S CASE

Suggests Canadian Companies be Permitted to Invest in Shares of Other Companies

"Unless some change can be brought about, it appears to be only a matter of time when all our purely Canadian fire insurance companies will disappear," says G. D. Finlayson, Dominion superintendent of insurance, in his annual report recently made public. In spite of the fact that each year sees an increase in the amount of fire insurance written in Canada, the percentage of business done by the purely Canadian companies has shown an alarming decrease in the last twenty years, so much so that Mr. Finlayson predicts,—barring a change in the situation,—their utter extinction in a few years.

What is the reason for this disturbing state of affairs in the field of fire insurance in Canada? Briefly, the fact is that the Canadian companies are being absorbed or controlled by British or United States companies, because Canadian companies are prevented by law from investing their money in the shares of any company which carries on a like business. The statute which controls the investments of Canadian fire and casualty companies says that "no company shall invest in or lend its funds on the security of any other company transacting any class of insurance business which such company itself transacts." On the other hand British, and some American companies, are allowed to invest in and carry as assets in their statement, the stock of other fire insurance companies. The result has been, according to Mr. Finlayson "that the British companies have been free to purchase a controlling interest in the stock of Canadian companies, and operate them as separate and distinct companies, carrying the stock so purchased as assets in their balance sheets, and this privilege has been taken advantage of to a very great extent during the past number of years.

Carry 4 per cent. of Business

"Although in the life insurance field," continues Mr. Finlayson, "Canadian companies carry about 65 per cent. of the total life insurance business in Canada, the purely Canadian fire companies carry only about four per cent. of the total business. The nominal Canadian fire insurance companies carry 13 per cent. of the total Canadian business, but of this, nearly 9 per cent. is carried by companies which are actually controlled, through stock ownership, by British or Canadian United States companies or capital. The tendency in this respect is shown by the following figures for the years 1905, 1915, and 1925:

Fire Companies in Canada

	1905	1915	1925
	(% of total business)		
Canadian	21	17	13
British	60	52	47
U.S.A & French	19	31	40
Total	100%	100%	100%

The Canadian companies referred to

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LIQUIDATOR WILL SAVE ON ASSETS OF MURRAY KAY

Preferred Shareholders Will Get Something in Windup by E. R. C. Clarkson

Preferred shareholders of Murray-Kay Co., Toronto department store which has been in process of liquidation for four years, will get something in the final windup of the company. Directors decline to estimate what amount will be paid per share, on the ground that until E. R. C. Clarkson is through with his work it cannot be estimated what sum will be available for distribution.

Murray-Kay Co. never made a formal assignment, but E. R. C. Clarkson was put in charge to liquidate the business at the suggestion of the Royal Bank of Canada, which had advanced approximately $500,000. The officers and directors of the company, who held all the common stock as well as substantial blocks of the preferred, stepped aside in favor of Mr. Clarkson and it is asserted that the liquidator has saved a great deal more for the shareholders than could reasonably have been expected when he took charge.

The primary cause for the Murray-Kay troubles was that the store was wrongly located, in the financial, rather than the retail district. Then, the deflation era found merchandise stocks seriously depleted in value and with no reserve working capital for replacement with goods at new prices. The company might have pulled through if it had been located on Yonge Street a few blocks north of King, but in times of depression, at least, the location was hopeless for retail merchandising on the scale with which the company would have had to carry on.

Collect Old Accounts

Trade creditors were paid in full at the beginning of the liquidation period. Sales of merchandise reduced the bank loan materially and the collection of many book accounts considered bad or doubtful at that time has almost wiped out this obligation.

Murray-Kay Co. owned the building on King Street and a warehouse and factory building on Ontario Street. The King Street building was sold to a holding company which spent $85,000 on it, converting it into an office building. Unfortunately for the holding company, two larger office buildings in the downtown Toronto district were opened about this time and it is only recently that the earnings of the erstwhile Murray-Kay building have been equal to the amount estimated. The holding company has been paying interest on its obligations but has been unable so far to make any payments on the principal. The liquidator, it is said, and the directors of the company are agreed that proceedings are not necessary or advisable at this stage. In any event, it is contended, the building is more valuable than when it was sold, as the district is suitable only for offices.

Warehouse Worth $110,000

The Ontario Street warehouse is considered to be worth at least $110,000. There is talk of its early sale. Sale of this property, assuming that the operators of the King Street building soon can begin payments on principal of their debt, will enable the liquidator virtually to complete his work except for the collection of a few book debts on which payments are secured from time to time.

Aside from the comparatively small bank loan remaining unpaid the only liabilities of the company are a moderate salary item of one of the officers, which claim has not been pressed, and current expenses of the liquidator.

Heavy Gold Shipments to New York Seasonal

Heavy gold shipments from Canada to the United States bring forth a variety of interpretations from different bankers. One Canadian banker in New York is reported as stating that the shipments are due to the large amount of capital for investment in Canada, seeking a surplus outlet in United States offerings. Obviously, this is only a partial explanation. Canadians are indeed investing heavily abroad, reaching out for high yielding foreign securities, and to some extent overlooking speculative opportunities at home, but on the other hand there is a steady flow of American money to Canada. Just this week, $60,000,000 of notes of the Aluminum Company of America were sold in New York, and it was indicated that a large amount of the money would be spent on the company's new townsite at Arvida, Quebec. It will take many individual purchases of foreign bonds to offset this one investment of American cash in Canada.

Other banks regard the gold shipments as purely seasonal. Until Canada was put on a gold basis there was no steady flow of gold back and forth across the border to adjust balances in business operations. Now that the flow of gold has recommenced and is to be a factor in maintaining virtual parity between the Canadian and American dollars, there will be shipments almost constantly. Canada will likely ship gold during those seasons of the year when it is not shipping wheat, and when exports of timber and pulpwood are curtailed by the winter tie-up. In the spring, when navigation on the Great Lakes resumes, the flow of gold to the south will not be of metal but of grain. Then, in the opinion of one of the highest authorities in Canadian banking, Canada will get back most of the gold it is now shipping.

In January about $35,000,000 of Canadian gold went to New York.

Rural Credits Bill Likely to Pass But May Not be Operated

Seven Per Cent. Rate More Than Farmers Counted On

PRIVATE MONEY READY

When Prior Liens Do Not Bulk Too Large Loaning Institutions Offer Cheap Money

From Our Own Correspondent

OTTAWA.—Rural credits legislation, left by the wayside when Parliament summarily threw up its hands last summer, is certain to be re-introduced at the present session. That it will pass seems likely. The organized lending interests of Canada will probably not offer further opposition unless changes are made in the wording of the bill. They said their say last year, when the senate committee on banking and commerce examined witnesses in regard to the bill, and feel that it would be futile to enter further protests.

May Never Become Operative

But while the "act for the purpose of establishing in Canada a system of long term mortgage credit for farmers" seems certain of passage, it is by no means equally assured of ever becoming effective and operative. The bill is framed in such a manner that it can only be made to work in any province with the consent, co-operation and financial assistance of that province and, at the moment there is no province definitely ready to attempt the job of handling long term mortgage credit, even with what would be virtually a bonus from the Dominion government. Public opinion has changed somewhat in the past few years and as the position of

(Continued on page 16)

Ogilvie Investments Enhance in Value

From Our Own Correspondent.

MONTREAL.—The spectacular rise in the shares of the Ogilvie Flour Mills Company seems to have been caused, not by any improved position of the flour milling industry as a whole, but by the improved earnings of the many important companies in which the Ogilvie Flour Mills has distributed its large investment account. In the last balance sheet the company showed a cash and investment account totalling nearly $9,300,000; this compares with the property account which is carried on books at only $4 872,735. Thus, it can be seen that Ogilvie's investments play just as prominent a part in its earnings as does its milling business.

The company is reported to have large investment in such sound companies as Brazilian, Dominion Textile, C.P.R., Montreal Light Heat and Power, Consolidated "Smelters," and many of the other companies which, over the past year, have had very decided appreciations in the market price of their securities. No doubt, Ogilvie Flour Mills has benefited materially during the past year by receiving increased disbursements on the many sound common stocks which it holds.

Also Has Big Business

But the company also does a good flour milling business—a business which has been in operation since 1801. The company is the largest flour milling organization in the Dominion and one of the largest in the Empire. Two mills are operated at Montreal, two at Fort William, three at Winnipeg and one at Edmonton, with a daily combined capacity of 22,250 barrels. A fleet of eleven steamships is operated under the name of the Tree Line Steamship Company. This subsidiary transports grain from the Great Lakes ports to Montreal. The company owns nine terminal and 172 country elevators with a storage capacity of 10,735,000 bushels of wheat in addition to its warehouses with a storage capacity of 452,000 barrels of flour. It operates its own barrel factory which has a daily capacity of 3,000 barrels.

Earnings Below 1924

In 1924, when the company earned 40.4 per cent. on its common stock, a new company was formed which took over the old company—the basis of exchange of stock being one share of new preferred for one of the old, and three shares of new common for one of the old. Since that date, the company earned $8.24 a share in 1925 and $11.47 a share in 1926. It will be seen therefore that during the current fiscal year, Ogilvie could earn considerably increased profits on its common stock before earnings equivalent to those of the 1924 fiscal year are achieved. The present increase in the market price of the stock indicates that earnings for the current year might run in excess of the previous high level established three years ago.

Metropolitan Life Loans $3,500,000 to T. Eaton Co.

Additional investments in Canada have been made during the last month to the extent of over five million dollars, by the Metropolitan Life Insurance Company. The company bought $675,000 of the new City of Montreal issue from Wood, Gundy and Company, and $100,000 City of Windsor bonds from Dominion Securities Corporation. The Metropolitan Life has also closed two loans on bond and mortgage, one for $3,500,000 to T. Eaton Company, and the other for $990,000 to Dupuis Freres, Montreal.

Christie Earnings in Excess of $300,000

Estimates of the earnings of Christie, Brown & Co., based on the quarterly statements, are that there was net trading profit of $319,000, of which more than a third, or $110,000, was earned in the last quarter. The annual report of the company will not be published for a few days yet.

It is known that Christie, Brown & Co. enjoyed an excellent year in every respect. A substantial proportion of the earnings, however, has gone in the retirement of the bonds which were issued in 1925. The first block of $200,000 was retired on January 2, 1926, and $250,000 additional were retired in the course of the calendar year, leaving only $550,000 outstanding.

After taking care of bond interest, it is estimated that the earnings on the outstanding 8,814 shares of preferred, will have been $30 the share.

B.C. Legislation Covers Building and Loan Bodies

British Columbia's promised legislation to deal with building and loan associations has been introduced in the legislature. Legislation to govern such businesses has been found necessary as a result of the formation of several such associations in the coast province.

The bill to some extent standardizes the business, so that the investor may recognize one of these institutions whenever he sees its name, and will realize what kind of share he has agreed to take. But the bill prohibits any kind of banking or deposit business, and its keynote is the establishment of safe mutual organizations to foster the habit of saving

Canadians Sell Out U.S. Steel

Figures just made available show that Canadians, on December 31, 1926, held 29,385 of the common shares of the United States Steel Corp. and 28,966 shares of the preferred. This compares with 26,217 of common and 28,280 of the preferred held in this country on December 31, 1925.

Canadians have been selling their U.S. steel for a number of years. The figures for the common in recent years are: 1924, 22,838; 1923, 23,422; 1922, 24,948; 1921, 30,885; and 1914, 710,621.

DECIDE MASSEY HARRIS CONTROL WITHIN FEW DAYS

Vincent Massey's Stock is Believed to be Crux of Situation

HAS NOT SOLD YET

Reported American Interests Have Offered Him Big Price for His Holdings

A large block of the common stock of Massey-Harris Co., which effectively controls the company, has not yet passed to ownership in the United States, The Financial Post is informed by an unimpeachable authority. The same authority also vouchsafed the information that the negotiations which have been in process for several days with a view to retaining control in Canada late Thursday were still in a delicate state. Something definite will develop within two or three days, it was said.

It was asserted that control of the company cannot at this stage be acquired through purchase of shares in the open market, although there has been considerable buying emanating from New York in recent months, presumably on behalf of International Harvester or the J. I. Case Co.

Said to be Massey's Stock

It is assumed that the large block of shares which hold the balance of control are those of Hon. Vincent Massey. It has been reported in financial circles that Mr. Massey was offered by United States interests a price somewhat above the market quotation for the shares. These interests for several months had been accumulating stock. These purchases, added to the Massey shares, would give effective although not technical control.

The Hon. Vincent Massey, his secretary informed The Financial Post, would be out of reach until the end of the week, and that next week he would go to Washington to assume his post as Canadian minister to the United States.

Massey Was Once President

Mr. Massey was president of the company. In 1925 he joined the Mackenzie King cabinet and after some delay his resignation from the presidency of the company was announced.

Massey-Harris common was first listed on the Toronto stock exchange last March. The opening price was 40. It rose steadily throughout the year until a week ago it was 68 and in strong demand. This week there was a sudden rise which by Wednesday had carried the stock to over 90. It pays no dividends.

A prominent Toronto investment house has been buying shares in the open market in the last few days, and it is known that persons prominent in the management of Massey-Harris have been in touch with members of this firm. It is believed that the Canadian interests are taking steps to retain control of the company, but the results of their efforts probably will not be known for a day or two.

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Background of Canadian Business

By JOHN E. LANGDON, Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Purchasing Power of Wage-Earner Records Decided Advance
Farm Revenue for 1926 Close to Two Billion Dollars
Canada's Trade Volume Only Exceeded by Five Nations
Manufacturing Stimulated by Large Equipment Contract
Stock and Bond Markets Reflect Sound Economic Position

MAKING allowance for price changes, which modify so many comparisons of economic conditions, "real wages" disclose a decided advance in purchasing power of wage-earners in recent years, far exceeding the fictitious "prosperity" of war and post-war eras. During the period from 1913 to 1920, the situation was the reverse. In those years the cost of living had increased at a more rapid rate than earnings of the worker. Since 1920, however, the position has changed and the level of wages has been and is appreciably higher than that of living costs, based on a comparison of average returns during 1913.

Wage-Earner Better Off

The change which has taken place in this regard has naturally brought about an increase in the purchasing power of the wage-earner, which, coupled with the expansion of instalment buying, has been the means of stimulating production in certain of our industries manufacturing so-called "luxury" articles. While the distribution of surplus earnings in this manner is not to be condoned, neverthless the standard of living of the average individual has also advanced to a very large degree. While this statement does not hold true for all sections, the improvement in the position of the wage-earner in respect to living costs, generally speaking, has undoubtedly shown an improvement all over the country.

Until within the last year or two, part of this good fortune enjoyed by the industrial workers had been at the expense of the farmers. Food prices on the farm had declined very rapidly, but, within the past year and a half, they have managed to hold their own and in some instances have actually advanced in price. Consequently, the position of the farmer from the standpoint of purchasing power has become more secure and this fact, combined with the exceptionally large revenue received from field crops and other sources of agricultural endeavor, places the man on the land in a position to sell his goods at a better price than that which he pays for manufactured articles.

Revenue Close to Two Billions

It is now safe to assume that farm revenue from all sources, as a result of last year's activities, will measure close to the two billion dollar mark. Although certain lines have not returned the revenue expected early last fall, due to certain uncontrollable adverse factors, improvement in other lines has been sufficient to offset minor losses, so that it is computed total revenue will equal, if not surpass, that of 1925, which was one of the outstanding productive years in the history of Canadian agriculture. The revenue from field crops, as already announced by the Dominion Government, amounted to about one and a half billion dollars last year. Dairy production showed a slight falling off, due to the depression in the English market. Commercial fruit production was also slightly lower, amounting to $19,578,702, as compared with $22,238,745, the province of Quebec for fruits other than apples not included.

Trade returns for the past couple of years have clearly indicated that Canada occupies a relatively important position among other nations in this respect. Unfortunately, figures of value of trade are somewhat difficult to fully understand and the fact that Canada's external trade amounts to over two billions of dollars means little to the average business man. Detailed figures now available on world trade for the calendar year 1925, show that the improvement recorded by Canada is even more substantial than indicated in government reports.

Canada Sixth in Trading

On the basis of pre-war prices, world-trade in 1925 was close onto forty billion dollars, as compared with about thirty-eight billion in 1913. There has thus been an actual increase of about 5 per cent. in volume of world trade since before the war. In nominal value, the increase amounted to about 63 per cent. Canada has risen from eighth to sixth place, now being surpassed only by the United Kingdom, United States, Germany, France and India. On the basis of volume, trade has shown the most striking progress in Canada, Japan and Denmark, the Dominion's trade in 1925 being 81 per cent. greater than in 1913.

In our foreign relations, the outlook in several countries is not overly bright. Civil war in China may possibly have an appreciable effect on our exports of flour, butter and other agricultural products to that country, which in the past two years has developed into a valuable outlet for surplus production from the Prairie Provinces. The anticipated improvement in the English market has not come up to expectations, but it is expected that the readjustment will be completed very shortly and trading relations between the Dominion and the Old Country return to a normal basis before the middle of the year.

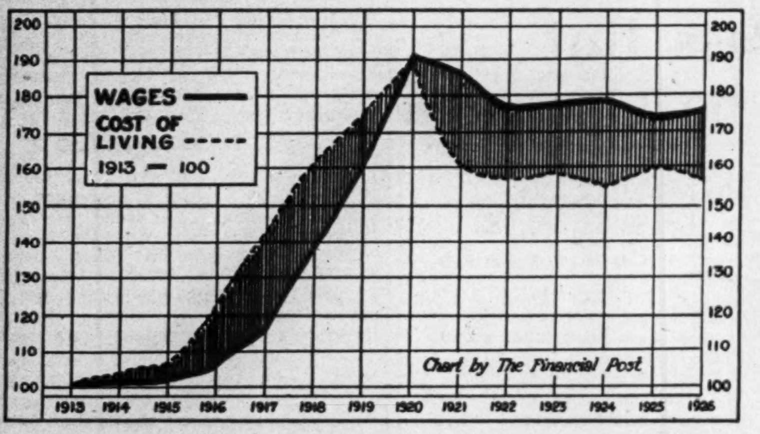
Large Equipment Order Placed

Domestic conditions show no change of any great moment, although signs are not wanting to indicate that 1927 will be a busy year from the standpoint of manufacturing. The construction industry has got away to a good start, with January permits being the largest ever recorded for any similar month since the record was established about fifteen years ago. In addition, the first of a series of new equipment contracts which have been long looked forward to, not only by the equipment companies, but by the business and financial community, has been placed by the Canadian National Railways. This is valued at $2,000,000 and involves the construction of numerous types of passenger equipment. It is stated that further orders will be placed by the same company during the present month.

The lead given by the Canadian National in this regard will most likely be followed by other large Canadian companies and the balance of the month will probably see the placement of large orders, not only to the benefit of iron and steel and equipment companies, but also to the advantage of those concerns engaged in other lines of industrial activity. The agricultural implement companies have not made any statement, recently, on new business but it is reasonable to assume that they will ship a larger volume of equipment west this spring than has been the case in many years. The same applies to textile, rubber and other goods manufacturers, who are anticipating heavy buying orders from the west.

Credit Still Plentiful

These conditions and others are reflected in the action of the Toronto and Montreal stock markets during the past month. While there has been no violent fluctuations in any one group of securities, activity has been fairly well maintained. Sales were greater for fifteen of the twenty-five stocks included in the Bureau of Statistics, index and smaller for ten. Average prices were lower for fourteen stocks and higher for eleven, but the increases outweighed the decreases in importance. The bond market at the same time has been particularly buoyant and though issues have been numerous during the past week or two, little trouble was experienced in disposing of the securities. This may be taken as an indication that there are plenty of funds available for good, sound securities in well-conducted industrial enterprises or governments.



The rapid advance in living costs as compared with wages, from 1913 to the middle of 1920, as outlined on the chart, shows the fallacy of the belief that prosperity was greater than in the years immediately following the war and post-war boom, the purchasing power of the wage-earner's dollar now being considerably greater than at any time since 1913.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1927	1926
Car loading, week January 22	57.958	54.196+ 7%
Year to date	174,558	174.141+ 0.2%
Merchandise shipped, year to date	44.693	44,186+ 1%
Grain Receipts, Aug. 1 to Jan. 21	257,304,348	300,517,612— 14%
	1926	1925
Building permits—November, (63 cities)	9,968,937	7.988.765+ 24%
Railway Earnings—Twelve Months—		
C.P.R. gross	198,025,591	182,356,005+ 8%
C.P.R. net	44,945,126	40,154,755+ 11%
C.N.R. gross	266,270,000	244,971,202+ 8%
C.N.R. net	46,400,000	32,264,414+ 43%
Pig Iron Output—12 months	737,503	570,397+ 29%
Steel Ingot production, 12 months	776,888	752,695+ 3%
Employment—December index	101.1	95.8
Newsprint production—December tonnage	163,177	136,983+ 19%
Automobiles produced—11 months to November 30	197,364	153,317+ 29%
Immigration, 11 months, to November 30	130,569	80.904+ 62%
Business failures—No. of firms, 12 months	2,196	2,371— 7%
Liabilities	37,082,882	45,767,8,25— 19%
Imports of key commodities, 12 mos. ending December 31—		
Rubber (raw, in pounds)	45,366,960	44,547,517+ 1%
Cotton (in pounds)	134,690,811	121,047,597+ 12%
Crude petroleum (in gallons)	667,627,576	544,286,673+ 22%
Exports of key commodities, 12 months ending December 31—		
Canned salmon, cwt.	597.593	748.686— 20%
Newsprint, cwt.	34,639,718	28,033,091+ 24%
Wheat flour, bbls.	10,456,916	10.318,840+ 1%
Wheat, bushels	250.116.414	222.344.546+ 12%
Saving deposits, Dec. (chartered banks)	1,372,763,485	1,318,875,483+ 4%
Current loans, Dec. (chartered banks)	970,053,595	903,259,725+ 7%
Exports, 12 months to December 31	1,268,581,976	1,270,986,854— 0.1%
Imports 12 months to December 31	1,008,341,911	890.193,348+ 13%
Balance of trade, 12 months to December 31	260,240,065	380,793,506— 31%
Price level, December index, 236 commodities	150.5	163.5
Bond sales, 12 mos.	567,341,196	496,500,000+ 14%
Bank clearings, January	1,508,258,374	1,349,306,742+ 11%
Construction contracts awarded in January	16,771,800	12,669,000+ 32%
	1927	1926
Pig iron (Number 1 foundry) Feb. 3	24.80	Feb. (Aver.) 26.85
Cattle—Good, Toronto, Feb. 3	6.80	Feb. (Aver.) 6.87
Wheat, No. 1, Nor. Winnipeg, Feb. 3	1.39	Feb. (Aver.) 1.54
Hogs—Select, Toronto, Feb. 3	11.00	Feb. (Aver.) $14.29

MOVE TO STEM IMPORT CANADIAN DAIRY PRODUCTS

Enforcement of Lenroot Bill Deprives Farmers of Market

A loss of a $5,000,000 market to producers of milk and cream, mainly in the provinces of Ontario and Quebec, is likely to come as a result of the passing of the Lenroot milk and cream bill by the United States Senate. The bill has still to go before the House and will not become law until signed by the president, coming into effect ninety days after.

Cornelius A. Parker, attorney for the Boston Cream Dealers' Association, asked about the probable effect upon future imports of milk and cream from Canada, said: "It will altogether depend upon the regulations which are to be made by the Secretary of Agriculture. No doubt he will hear representatives from Canadian exporters and United States importers before framing them. He can easily make regulations, and so administer them, as to create an embargo. But I don't think he will act in an arbitrary manner.

Health Authorities Protest

"However, the uncertainty of the situation will make producers and importers alike cautious about making contracts for next summer's supply. The Canadian dairymen may find it more profitable to ship their milk and cream in the shape of cheese and butter to the British market. If the Canadian supply is cut off, there will be real suffering among consumers of New York and Boston. The health authorities of both cities protested against the passage of the bill."

The significance of the action of the United States government in passing this bill has been overlooked by the majority of Canadians. Imposition of this Act means that a large and profitable market which has been built up in the States by Quebec and Ontario dairy producers over a period of years will be lost and the farmers in those provinces forced to look to other outlets for the disposal of surplus production.

The value of this trade in the fiscal year 1924 amounted to slightly over $5,000,000. The following year exports had increased to $6,000,000 while, in the fiscal year 1926 milk and cream shipped to the New England states were valued at close on to $8,000,000. In the eight months ended November last, exports had expanded still further, value amounting to $7,000,000.

It is possible, as Mr. Parker surmises, that certain regulations or amendments will be made to the bill before it goes to the president for signature and, in that event, restrictions may not lie so heavily on the Canadian farmers, but, as this piece of legislation was drawn up with the idea of "killing" this outlet for surplus Canadian cream and milk, there is little hope of the bill being altered or modified in any manner.

Belding's Sales Up

MONTREAL.—According to C. A. Reynolds, general manager of Belding-Corticelli's sales of the company during the first two months of the current fiscal year have shown a satisfactory increase over the corresponding period of last year, and the company's earnings are on a satisfactory basis. Belding-Corticelli's Coaticook plant is operating practically at capacity with 97 per cent. of the looms running.

Capital: $1,000,000
Reserve: 350,000

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Besco's Coal Production Has Increased Largely

From Our Own Correspondent.

MONTREAL.—Both in value and in quantity the output of coal by the Nova Scotian mines during 1926 showed a remarkable improvement as compared with the preceding year. The comparison of the figures for the two years is as follows:

	$	Tons
1925	15,826,680	3,842,978
1926	26,457,000	6,810,000

The tonnage produced last year was greater than in any previous year with the exception of 1916, when the output amounted to 6,912,140 tons. While the figures show a remarkable improvement from 1925, yet, during the 1925 year, a strike at the Besco properties, which lasted over four months, materially reduced the output. The 1926 figures reveal the improvement which must have had a very decided effect upon the earnings of the Dominion Coal Company, for the associated companies in the Besco chain are responsible for practically all the Nova Scotian output.

The following figures reveal the proportion of the coal requirements of Canada which are met by domestic mines:

1926	Short Tons
Output	16,105,000
Exported	1,028,300
Consumption of Domestic Coals	15,076,700
Coals imported	18,056,139
Total consumption	33,132,839

National Breweries' Stock More Popular

From Our Own Correspondent.

MONTREAL.—The shares of National Breweries have been active of late, due to the improved outlook of the company since the adoption of liquor legislation by the province of Ontario. The National Breweries has more or less recently considerably improved its physical position by modern and up-to-date extensions to its plant. Thus there are many who feel that with the present situation, which will give the company broader markets this year, the shares of this firmly-established organization are quite as attractive, if not more so, than some of the newer brewing properties which have recently offered their securities to the public and which have enjoyed a measure of investment popularity.

The annual statement of "Beer" will make its appearance early in March, and it is anticipated that earnings will amount to between $5 and $6 per share on the common stock.

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INCOME TAX PROBLEMS

Must Properly Record Depreciation

By an Income Tax Expert

PROBLEM No. 11.

The Dominion Income War Tax Act states that there shall be deducted from income "such reasonable amount as the minister in his discretion may allow for depreciation."

It is a fundamental principle that in computing profits for income tax purposes no deduction is allowed for capital expenditure. Depreciation means the annual decline in value of capital assets used in creating income.

Depreciation is allowed, but the allowance is in the absolute discretion of the minister, and it may be said at once that so long as the minister or those exercising an authority, has brought his or their mind to bear upon the subject, the courts would not vary any conclusion arrived at even though the allowance were nothing.

Depreciation and Obsolescence

Depreciation should not be confused with the diminishing value of capital assets through causes other than wear and tear in the operation of the business, such as obsolescence or decline in value through market conditions. These are capital conditions not to be brought into account in arriving at taxable income.

The allowance for depreciation of value due to wear and tear is made in favor of the person carrying on the trade if the machinery, plant and buildings belong to him, or if they are leased to him on the terms of his being bound to maintain them and deliver them over in good condition. Where, on the other hand, the machinery or plant is in the possession of the lessee on such terms that the burden of maintaining and restoring it falls on the lessor, the lessee gets no allowance.

Should Submit All Evidence

Generally speaking, the question of what is a just and reasonable allowance as representing the diminished value of depreciable capital assets by reason of wear and tear during the year in the operation of the business or the earning of the income is a question of fact and such facts as are relative should be submitted so that a decision may be had in accordance with good business principles.

The aggregate of the allowances made to the person by whom the trade is carried on must not exceed the actual cost of the asset to that person, including any capital expenditure by way of renewal, improvement or reinstatement. Of course if a business, the assets of which have suffered certain depreciation, be bought by a new company, it is the price then paid for the machinery, plant or depreciable asset which regulates the total of the allowance and not the primary cost of the asset.

Different Than in England

Giving discretion to the minister as to depreciation is very different from a statutory direction whereby depreciation "shall be" allowed in each year in respect of depreciable assets used in the business to earn the income. The imperative form of direction means even though the asset value has wholly been returned to the taxpayer out of profits yet depreciation must continue to be allowed if the asset is still in use. For example, in England under a certain statutory law where the trader had in a series of previous years been allowed out of profits by way of depreciation the whole cost of the ships to him, yet because of the mandatory direction in the then existing legislation the commissioners were still bound to make such an allowance as was just and reasonable without taking into account previous allowances.

As stated above, however, the discretion of the minister, if he has brought his mind to bear upon the subject, would in all probability not be disturbed by the courts even though no allowance were given. Further, the Canadian act is not mandatory.

Getting Down to Nothing

The Income Tax law is now entering its tenth year, and the rates of tax for companies have been as follows: For 1917, 4 per cent.; 1918, 6 per cent.; 1919 to 1924 inclusive, 10½ per cent. For 1925, the rate was reduced to 9 per cent., and a reasonable observation is that it will continue to be yet further reduced. But it should be observed that high rates existed in respect of corporations having a specified capital under the Business Profits War Tax Act from 1915 to 1920 inclusive, and the two acts must be considered together for it was only under one of the acts that taxes were actually levied.

Consequently depreciation afforded the several assets used in these periods is no doubt approaching that point where the allowance is equal to the cost of the assets, less residual value, and the question of concern is what is to be done in the future if the same asset is continued in use in the business to produce the income.

When Depreciation Ceases

The taxation periods referred to were periods of high rates of tax. More especially is this true in respect of proprietor and partnership businesses and if the concern or corporation, after allowing for depreciation, has been consistently profit-making there is no doubt that no further depreciation would be allowed after the cost, less scrap value, has been reached.

The further point, however, is what if there has been a series of years within the periods referred to in which there has been:

(a) a loss before deducting depreciation, and

(b) a loss only after deducting depreciation.

As to (b) it would be treated in the same manner as that business which continuously reflected a profit.

As to (a), the matter requires consideration. It is understood that the crown has not as yet laid down any strict rule. This may be due to the fact that the problem has not actually been presented as completed facts upon which a conclusion is necessary.

Practice in England

The practice in England is, generally, to allow the established rates of depreciation in respect of the written down value of the asset so that in the net result so long as the depreciable property continues in use there continues to be an asset value from which depreciation may be calculated and when finally discarded the residual value becomes a matter of easy determination. The residual value is an allowance deduction from the assessable profits of the year in which the discard takes place.

The English practice further provides that depreciation during a period of no profit, that is a period in which the benefit of depreciation from a taxation point of view cannot be had by the taxpayer, may be carried forward, so that the benefit may be had in years of no profit.

Never Entirely Written Off

It will be observed that the English allowance for depreciation is generally speaking on the diminishing value, from which it will be seen that the value would never be entirely written off. Assuming that machinery valued at £100 and with a life of twenty years were depreciated by 5 per cent. on the diminishing value there would still be a value of about £36 remaining at the expiration of the twenty years. Similarly depreciation by 10 per cent. would leave £12. The income tax law of England has no specific provision dealing with the remaining value, and in this regard is similar to the Canadian law. If the scrap values in each case were £5, there would be yet to be accounted for £31 or £7, which would have disappeared without having been allowed for in the income tax assessment. To meet this difficulty the practice of the English act, merely as a practice, was extended to afford such a deduction being made from assessable income in the year of discard.

Better Off in States

Under the United States income tax law it seems the depreciation is based throughout on the cost value and according to their regulations the capital sum to be replaced by depreciation allowance is the cost, to which cost is added from time to time the cost of improvements, additions and betterments, which is not deducted as an expense from the taxpayers' return. It must be added to the asset value and depreciated. Consequently the United States are in a similar position in affording depreciation as is Canada, but it is understood that unless the United States taxpayer actually sets up in his books the depreciation claimed it will not be allowed. This, taken with the ruling that depreciation which has not been taken in prior years does not entitle the taxpayer to deduct in any one taxable year a greater amount for depreciation than would otherwise be allowable, it seems that if the taxpayer did not set up depreciation in the year of loss that he would be entitled to carry it forward to years of profit, provided the depreciable property were still in use, and have it allowed as a deduction, but not at a greater rate in any one year than is normally allowed.

Carrying Depreciation Forward

So that from the foregoing it appears that if Canada were not to allow depreciation to be carried forward as from years in respect of which there is no profit, then it would be imposing a ruling more strict than either of the other countries, and which might with some reason be referred to as a hardship. If a company having an asset of an estimated ten year life had ten years of loss without considering depreciation, yet continued to use the asset for ten succeeding profitable years, it would seem that the minister, in exercising his discretion as to what allowance should be made for depreciation, could reasonably afford some depreciation in respect of the assets actually used in the earning of the profit of the last ten years, i.e., carrying the depreciation forward.

No doubt the matter will resolve itself into the necessity of the taxpayer producing indisputable records showing that the depreciation afforded out of actual profits, by reason of non-profitable intervening years, is not yet equal to what he should be entitled to, when the facts are that the self-same machinery is still in use earning revenue, and he has not in fact had his capital returned to him out of profit. The taxpayer who has not adequate records no doubt will be handicapped in endeavoring to get allowance for still further depreciation in an asset, say of a ten year life, after the ten years have expired. He must show that he had intervening years of loss (before any depreciation was deducted) in order to extend the depreciable period beyond the estimated life of the asset.

As stated above, in law, if the mind of the authority in power has been brought to bear upon the matter, then, though the depreciation be nil, it will not be disturbed by the courts, and an appeal beyond the person in authority will be futile. If the taxpayer is to be successful it must be with the commissioner himself.

It is understood, however, that the Crown has not concluded this question, but may soon enter upon the problem, and it seems that a conclusion might reasonably be had in accordance with the foregoing.

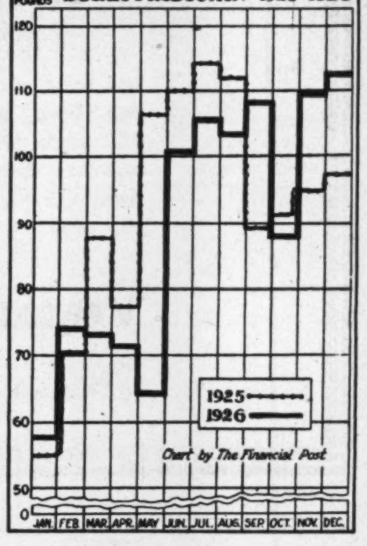
SUGAR PRODUCTION WELL MAINTAINED

Industry on Sound Basis—Domestic Demand Shows Increase

Stabilization of the sugar industry has apparently been brought about, following the "break" in raw sugar some five years ago. At that time, manufacturers were forced to take heavy losses and operations since have been largely along the lines of rehabilitation and bringing the industry to a point where it could operate profitably, both in domestic and export markets.

That this has been achieved, is evidenced by the steady scale of operations during the past three years, when production hovered around the billion pound mark. Operations during the past year were approximately on the same scale as those in 1925. Both cane and beet sugar production totaled 1,161,691,482 pounds, as compared with 1,182,069,321 in the previous year.

At the present time manufacturing activities are more or less confined to the refining of cane, although the use of beets has been an important consideration in this industry in the last two years, largely as a result of developments in Southern Alberta. Aside from the granulated product, the output of yellow and brown sugars amounted to 124,065,345 pounds, or about the same as in the preceding year.



Marketing of sugar last year was carried on on a satisfactory basis from the standpoint of distribution. Price for the finished product, however, continued low but there are signs to indicate further stiffening of price in the next month or so.

The slight increase in price to the consumer, has had no appreciable effect on consumption; in fact, the quantity consumed last year was greater than in the previous year when the value was relatively lower. On the other hand, exports declined owing to the depressed state of the English market, which takes approximately eighty per cent. of the total shipments to foreign markets. France, Norway, Uruguay, Newfoundland and Sweden were also large producers.

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INDUSTRIAL GROWTH IN B.C. PRONOUNCED

Growth of industrial operations in British Columbia has been most pronounced in the last decade, as compared with the period from 1906 to 1916, while the productive ability of the individual has also made remarkable headway.

In reviewing progress during the second decade, Hon. J. D. MacLean, minister of finance, stated that large expenditures were incurred to create adequate transportation facilities, markets for our products, and intelligent development of our natural resources in order to offset the adverse economic conditions pursuant to the Great War. This was done in such a manner as would keep expenditure to a minimum, revitalize industries, and direct efforts into channels and fields best suited to speedy yet permanent rehabilitation. The major portion of these expenditures being of a capital nature, the necessary funds were realized by the sale of provincial securities; the yearly interest charge, therefore, as well as the redemption provisions, are included under the heading of "public debt." The wisdom exercised and the justification for this expenditure was evidenced in the results achieved.

Lumbering Active

Lumbering in the period from 1906 to 1916 amounted to $186,379,000, or a per capita of $474. From 1916 to 1926 it rose to $674,688,893, or a per capita of $1286. The increase in this type of production is, therefore, $488,309,893, or 261.99 per cent.

Agricultural production rose from $177,898,121 to $552,820,005, denoting an increase of $374,930,884, or 210.75 per cent., the per capita being equivalent to $453 in the first period, and $1053 in the second, an increase per capita of $599.58, or 132 per cent.

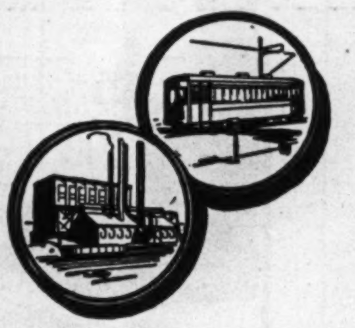
Mining production in the first decade amounted to $267,607,777, in the second to $404,649,375, the increase is $137,041,598, or 51.20 per cent.; on the per capita basis from $681 to $771, or an increase of $89, or 13.1 per cent.

Production from fisheries rose from $102,458,703 to $196,109,080, the increase being equivalent to $93,650,377, or 91 per cent.; the per capita thereon being $261 and $373 respectively, or an increase of $112 per capita or 43 per cent.

The total production figures for the four industries in the first decade amounted to $734,343,601, the expenditures during the same period to $90,095,839, or 12.27 per cent. of production. The individual, therefore, had a production ability of $1,871.03 with an expenditure burden of $229, which, to say the least, was disproportionately onerous. Compare this state of affairs with the second decade. Here, total production has risen by $1,094,912,752, or 159 per cent., to $1,829,256,353, and expenditure by $61,949,595, or 68.75 per cent., to $152,045,435.

The individual productive ability has, therefore, increased from $1,871 to $3,487, while the burden of expenditure has only increased from $229 to $289 per head of population—surely a far more equitable condition. Thus, the ratio of expenditure to production has decreased from 12.27 per cent. to 8.31 per cent., which decrease in ratio is equivalent to 32.2 per cent.

APPRAISALS REPORTS
INVESTIGATIONS
Industrials—Public Utilities—Natural Resources



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JOHN R. LAMB,
General Manager

Stock Market

MASSEY HARRIS IS FEATURE OF TORONTO STOCKS

Brazilian is Strong on Montreal Exchange; Other Issues Sell Higher

MARKET INDICATOR

20 Industrial Stocks		
Week of Feb. 9	100.2	97.4
Week of Feb. 2	98.7	96.1
Month of Feb. 1926	88.8	80.5
9 Bank Stocks		
Week of Feb. 9	$240	$237
Week of Feb. 2	240	238
Month of Feb., 1926	227	224
10 Public Utilities		
Week of Feb. 9	105	103
Week of Feb. 2	104	101
Month of Feb. 1926	103	99

The outstanding feature of the Canadian stock market in the last week has been Massey-Harris. The common of this great industrial company advanced sharply on reports that American interests either had secured or were attempting to secure control. Mystery still surrounds the move, but an official statement may be expected within a few days.

It is again noteworthy that the Canadian markets show a disposition to go their own way without being affected in any great degree by conditions in New York. There the highly-inflated low-priced rails receded precipitately in the face of a raid by bear traders, and many of the other rails were affected, although the market generally was firm.

Equipments Are Higher

At the same time both the Toronto and Montreal markets remained firm to strong. With interest centering on Massey-Harris in Toronto, Brazilian was a strong feature in Montreal and a number of other issues sold up. C.P.R. is definitely selling near the high point reached a week ago and the rail equipment companies were stronger on news of the placing of orders by the transportation companies.

It is now reported definitely that the Loewenstein interests are out of the picture so far as Brazilian Tractions are concerned and it is believed that the Toronto group, headed by E. R. Wood, is assured of continuance of control, if, perchance it ever was out of their grasp.

Steel of Canada is advancing on reports of a possible revision in the capital structure. From the viewpoint of earnings and plant valuation, these stocks, despite their recent advances, are considered low priced. The forthcoming statement of Canadian Locomotive is expected to make a very good showing for the eighteen months' period it will cover owing to a change in the fiscal year.

Utilities Advance

Quebec Power is up and interest is widening in the utilities generally as the investment public begins to realize that utilities, now that commodity prices are definitely on the decline, will show better earnings in the next few years at least. There was some activity in Consolidated Smelters on rumors of possible changes in the management, although these lacked confirmation, Dominion Bridge and Canners preferred also advanced. Imperial Oil continues strong and British American oil is active in advance of the meeting which probably will establish a dividend rate on the new stock. B. C. Fish sold higher. Its annual report is expected next week.

The mining market has continued weakly erratic. But reports from the Quebec area continue to be encouraging.

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	3	6	..	9
Paper	3	9	3	15
Steel	11	9	19	39
Foodstuffs	16	10	16	42
Utilities	11	5	15	31
Tractions	6	4	4	14
Textiles	7	2	8	17
Industrials	16	7	28	51
Total	73	52	93	218

Consolidated Trusts Now Has $100,000 in Reserve

Consolidated Trusts Corporation, of London, had an increase in profits in 1926 and, after putting $10,000 to reserve, was able to show a surplus of $3,538 for the year. Corporation earned the highest rate on its capital it has shown in many years, 5.2 per cent. This was before transfer to reserve.

Comparative figures follow:

Profit and Loss

	1926	1925	1924
Earnings	$ 15,549	$ 13,969	$ 13,481
Taxes	2,011	1,330	2,160
	$ 13,538	$ 12,639	$ 11,321
Reserve	10,000	15,000	10,000
Balance	$ 3,538	x$ 2,361	$ 1,321
Prev. balance	2,394	4,755	3,434
P. & L. balance	$ 5,932	$ 2,394	$ 4,755

Nine Years' Record

Year	Paid-up Capital	Profits	Div.	% Profits† A. Cap.	Earn. Rt.
1926	$257,998	$13,538	.	5.2	3.8
1925	257,998	12,639	.	4.9	3.5
1924	257,212	11,321	.	4.4	3.7
1923	257,212	12,027	.	4.7	4.0
1922	257,212	12,366	.	5.0	4.0
1921	257,212	11,760	.	4.7	3.9
1920	256,012	9,863	.	3.8	3.4
1919	256,012	11,418	.	4.5	4.0
1918	255,837	8,908	.	1.5	1.3

x—Debit.

†—Per cent. capital, reserve and balance at beginning of year.

Guaranteed accounts stand at $58,754; estates, trusts and agency accounts at $997,012, and total reserve $100,000.

Secretaries Plan to Establish Unit

Ontario will soon have chartered secretaries in her midst!

The Chartered Institute of Secretaries, founded in England in 1891, which has for its object the establishment of definite standards among the members of the secretarial profession, has been granted a charter to establish a branch in the province of Ontario.

The full title of the association is "The Chartered Institute of Secretaries of Joint Stock Companies and other Bodies." It examines applicants for admission to professional membership, and grants certificates of qualification to successful candidates. A fellow of the institute may describe himself as a chartered secretary, and may write the initials "F.C.I.S." after his name. An associate may use the initials "A.C.I.S." The institute has branches in all parts of Great Britain, in South Africa, in Australia, and in Quebec. Wesley Taylor is the secretary of the institute for Ontario, and it is understood that plans are under way to hold an inaugural banquet in a few weeks' time.

PORT HOPE YEAR ENDS; PROFIT IS SAID TO BE HIGH

Extra Dividends Are Not Likely, Although Stock is Strong

Port Hope Sanitary Mfg. Co.'s fiscal year, ended January 31st, has been a most satisfactory one from the viewpoint of earnings, it is reported in advance of the annual report which will be available in the latter part of next month. The company has been ploughing back earnings into plant and equipment and it is expected that the profit and loss account will show an increase in net earnings.

Port Hope Sanitary has written goodwill and formulae down to $1. Profits for 1926 were $229,918. A reserve of $77,000 for extension of plant was provided. While this reduced the surplus by $19,301 to $34,373, the results of the year were considered highly satisfactory.

There was a flurry in the common stock of the company in the latter part of last year, but this was reported not to have been based on any hope of an extra dividend or a split in the stock. The management is reputed for its conservatism and extra dividends are improbable at least until the surplus and reserves are at considerably higher figures than show in the last published statement.

London and Western Adds $25,000 to Reserve Fund

Increase in the dividend of London and Western Trusts from 7 to 8 per cent. is shown by the 1926 annual report to have been justified. After meeting expenses, dividends and reserve appropriation, the company had a surplus of $1,369, as the following statement shows:

Profit and Loss

	1926	1925	1924
Earnings	$ 86,042	$ 84,020	$ 80,437
Taxes	14,389	14,643	14,734
	$ 71,653	$ 69,377	$ 65,703
Distribution—			
Dividends	$ 40,000	$ 35,000	$ 35,000
Reserve for dep.	5,284	5,775	5,420
Reserve	25,000	25,000	25,000
	$ 70,284	$ 65,775	$ 65,420
Balance	$ 1,369	$ 3,602	$ 283
Prev. balance	17,145	13,543	13,261
	$ 18,514	$ 17,145	$ 13,544

Twelve Years' Record

Year	Capital Paid-up	Profits	Div.	% A. Cap. Profits†	Rt. Earn.
1926	$500,000	$71,653	8	14.3	8.0
1925	500,000	69,377	7	13.8	8.0
1924	500,000	65,703	7	13.1	7.9
1923	500,000	67,586	7	13.5	8.3
1922	500,000	102,161	7	20.4	12.1
1921	500,000	27,373	7	5.4	3.7
1920	500,000	64,069	7	12.8	9.1
1919	500,000	61,135	7	12.2	9.0
1918	500,000	53,113	7	10.6	8.0
1917	500,000	50,551	7	10.1	7.8
1916	500,000	51,651	7	10.3	8.2
1915	500,000	53,486	7	10.6	9.2

x—Taxes deducted.

†—Per cent. capital, reserve and balance at beginning of year.

Company's assets under administration increased from $16,403,203 to $19,129,216. The company issues no guaranteed trust receipts, but has $18,225,170 of estates under administration. Reserve now stands at $375,000 or 75 per cent. of capital paid up.

Parent Company of G. N. Gas Co. Sells Debenture Bonds

The North Continent Utilities Corporation, which controls the Great Northern Gas Co. of Sault Ste. Marie, Ont., has sold $2,000,000, 15 year 6½ per cent. debenture bonds through a syndicate headed by Coffin, Forman and Co. Inc., of Chicago. A public offering is being made at a price of 100 and interest.

Proceeds of the issue will be used to finance the acquisition of all the outstanding securities of the Denver Ice and Cold Storage Co.

"Trams" Orders Cars

MONTREAL.—The Montreal Tramways is shortly to spend some $980,000 on new rolling stock. Orders have been placed and delivery has already commenced of ten new motor buses. The company is at present engaged in working out the design of a new type of tram; when this has been completed, orders will be placed for 50 new cars. The motor buses will cost approximately $13,000 each and the trams $17,000. The company will obtain delivery of the new street cars next autumn.

Orders for Rail Equipment Help Steel Companies

The long-awaited improvement in the business of railway equipment companies has taken definite form in the placing of orders by Canadian National Railways and others.

Canadian Car & Foundry Co. has secured a contract valued at approximately $2,000,000 from Canadian National Railways for twenty sleeping cars, five observation cars, four compartment cars and twelve dining cars.

It is expected that National Steel Car Co., Hamilton, also will begin work soon on orders for cars for Canadian railways.

An order for 32 locomotives, it is said, goes to Canadian Locomotive Co., Kingston.

The rail mill of the Algoma Steel Corp., Sault Ste. Marie, will go on double shift March 7th to fill orders for rails placed by the Canadian National and by the Michigan Central railway for its Canada Southern division. The open hearth furnaces will be in operation about March 5th. About 800 employees will be added to the payroll at the Soo.

Mutual Finance Co.'s Assets Are Growing

At the annual meeting of Mutual Finance Co., held recently at Windsor, the report of the directors showed growth in assets and earnings in 1926, compared with 1925. Assets which were $332,845 in 1919, have grown to the total of $2,799,587. The 1919 surplus of $9,754 has grown to $250,000 at the end of 1925.

This company has paid its preferred stock dividend of 8 per cent. regularly since 1920. In 1921, an initial dividend of 4 per cent. was paid on the common. This was continued until 1923, when the rate was increased to 5 per cent., which has been maintained.

President A. F. Healy, in his address to the shareholders, predicted a continuance of prosperity for the company and the Border Cities.

CANADA BISCUIT CO. EARNINGS ARE GOOD

Statement Soon to be Issued Expected to Show Benefit of Merger

The first annual report of the Canada Biscuit Co. since the merger of several old-established companies a year ago, is expected to show satisfactory earnings for 1926.

Bonds of the merged companies were first offered the public last May at 100 and interest. Of the $2,500,000 authorized, $1,600,000 were issued in denominations of $500 and $1,000. They bear 6½ per cent. interest and are due May 1, 1946. The sinking fund, it is estimated, will have retired 75 per cent. of the outstanding bonds by maturity either through purchases in the open market or by calling.

Seven per cent. cumulative preferred stock is outstanding to the amount of $3,519,000. There are also 87,280 shares of common of no-par value.

The balance sheet as of December 31, 1925, listed total assets of Canada Biscuit Co. at $5,745,815, of which $2,457,195 included cash, inventories and accounts receivable and $3,288,619 the appraised value of the physical properties included in the merger. No book value was placed on goodwill, although the company brought together such old-established concerns as McCormick Mfg. Co., Montreal Biscuit Co., Paulin-Chambers Co., J. A. Marven, Ltd., and North West Mill & Feed Co. The officers and directors of the new company, for the most part, had been active in the management of the constituent companies which had long histories of successful operation.

The total market value of agricultural production including game and furs, in Alberta, in 1926, is estimated at $263,913,250, an increase of $6,318,635 over 1925.

ANNOUNCEMENT

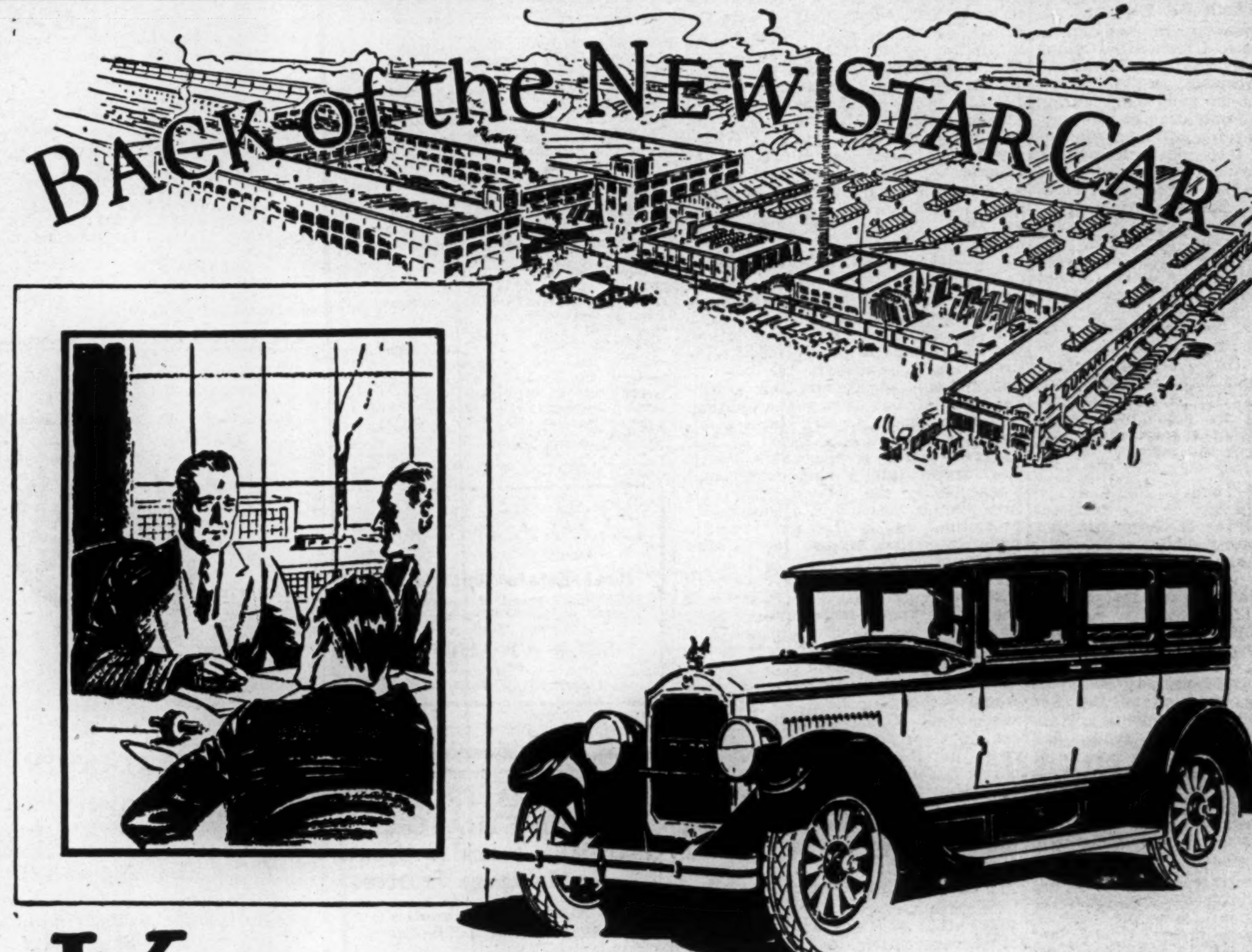
We take pleasure in announcing that

Mr. E. J. L'ESPERANCE

(formerly Manager of the Imperial Life Assurance Co.)

has been admitted as a member of the firm. Mr. L'Esperance has been appointed to the office of Vice-President and Managing Director. Although the interests of Mr. Vidricaire and Mr. Boulais have been purchased and they have retired from the Company, the firm name will be continued as in the past.

VERSAILLES, VIDRICAIRE, BOULAIS
LIMITED
Versailles Building, MONTREAL, 90 St. James Street


BACK of the NEW STAR CAR

KNOWLEDGE!

THE *Knowledge* that stands back of every New Star Car is a result of continuous and intensive study of Canadian motoring requirements coupled with the sum total of the ability and experience of men highly trained in every department of the automobile industry.

This *Knowledge* manifests itself in the every-day satisfaction which Star Car owners enjoy, impelling hundreds to write in terms of highest praise.

It expresses itself in every constructional operation—from the selection of raw materials and the fabrication of the sturdy, rugged frame to the severe criticism of the Final Test.

It is responsible for the employment of the Red Seal Continental motor, the principle of full force feed lubrication the Morse Silent Chain Drive and other exclusive quality features.

No wonder, then, the New Star Car is the "Aristocrat" of the low-price field!

STRENGTH

DURANT MOTORS OF CANADA LIMITED
TORONTO CANADA

N-127

STERLING APPRAISAL COMPANY
LIMITED
9-11 E. Wellington St., TORONTO
Sterling Security Reports are prepared by Registered Professional Engineers

Quebec Power Issue Adds to Shawinigan's Investment Reserve

Parent Company to Receive $82,000 More This Year

SPEND $1,000,000

Quebec Power Company Has Substantial Program for Coming Twelve Months

From Our Own Correspondent.

MONTREAL.—The Quebec Power Company is to increase its issued capital stock to $10,000,000, by offering to its shareholders at par three new shares for every ten shares held. The new shares will be paid for in two instalments in May and in June, and the new stock will rank for dividends for the quarter beginning July 1 next. Another important development in the company is the declaration of a quarterly dividend of 1¾ per cent. for the current quarter. This places the stock on a 7 per cent. basis as against the 6 per cent. rate which prevailed up to the end of 1926.

While these developments are of great interest to the shareholders of the Quebec Power Company, yet they are of almost equal interest to the shareholders of Shawinigan, which will benefit very materially by this disbursement by its subsidiary.

Controls Quebec Power

The Shawinigan Water and Power Company owns control of the Quebec Power Company; Quebec Power has outstanding 79,260 shares. Placing the amount of Quebec Power shares which Shawinigan holds at the minimum figure of 40,000, it is obvious that the parent company, through the increased dividend declaration, will obtain on its present holdings an increased revenue of $40,000 each year. But in addition, there will be the increased revenue which will accrue through the new 12,000 shares to which Shawinigan will be entitled.

From the new stock to be issued Shawinigan will obtain six months' dividends this year, amounting to $42,000. So that in all, the constructive developments in the subsidiary company mean that the Shawinigan Water and Power Company will have its revenues increased by more than $80,000 this year. Presuming that Quebec Power does not increase its dividend in 1928, Shawinigan will earn in 1928, an additional $42,000 covering the full year period from dividends from the new stock which it will obtain.

Yet Another Angle

Then again there is another angle to the benefits which will accrue to the parent company. Shawinigan will obtain at least 12,000 new shares by the deal. It pays but par for the new stock which should have a market value of at least $200. This means then that the parent company will hold securities worth probably more than $2,400,000 for which it pays but $1,200,000.

The stock of the Quebec Power Company in October, 1925, was selling about 111. At the end of last month it had reached 224, a gain of 113 points, or over a 100 per cent. increase in sixteen months. The increase in the dividend rate of from 5 to 6 per cent. was but a minor element in the advance in price. At its present levels the shares yield around 3 per cent. and the indicated earning power of its profit and loss account is not sufficient to warrant such a high price unless the company has further constructive plans in view. These it appears to have and the next development anticipated is a split in the stock which may not take place until the new shares have been distributed to the shareholders.

Plans Expansion

The plans of the Quebec Power Company for the current year involve a total expenditure of nearly $1,000,000 for construction.

In addition to this work, funds are required to complete the purchase of the Laurentian Power Company, which was taken over by the Quebec Power Company some time ago.

Improvements involving the installation of added machinery at the Laurentian Power Company are nearly completed. Altogether the programme passed by the Quebec Power Company involves expenditures of over one million and a half.

The foregoing explains the issuance of new capital stock to the shareholders.

Lake St. John Company Sells Output to Hearst

From Our Own Correspondent.

MONTREAL.—The large publishing interests in the United States, with whom the Lake St. John Power and Paper Company has closed a ten year contract for the total output of its new mill, are understood to be the Hearst publications.

While it is said that the price at which the new company will sell paper to Hearst will vary with the current market quotations for newsprint paper, yet it is understood that definite maximum and minimum prices have been set for the total production. Thus, whilst the Lake St. John Power and Paper Company may not benefit by excessive increases in the price of newsprint in future years, yet at the same time it safeguards itself against prices which might endanger the financial position of the company. But both parties to the agreement naturally benefit and the Hearst publications, which probably consume more newsprint than any one group in the United States, are definitely assured of a large production for the next ten years at a fair and reasonable price which at the same time is sufficient to insure the producers a fair return on their investment.

D. J. McDougald J. B. McArthur

Government, Municipal and Corporation

BONDS

D. J. McDougald & Co.

Trusts and Guarantee Bldg.,
302 BAY STREET. ELGIN 2378
The Partners Personally Advise as to Investments.

"Bridge" Gets Contract

MONTREAL.—The expansion of the pulp and paper industry and the power industry in Canada has helped considerably many of the construction companies, not the least of which, of course, is the Dominion Bridge Company. The newest paper mill, the Lake St. John Power and Paper Company, has given its steel contracts to Dominion Bridge.

COCKSHUTT PLOW EARNINGS NOT SO GREAT AS HOPED

Prospects for 1927 Are Reasonably Good, But Company Feels Competition

The annual report of Cockshutt Plow Co., issued this week, is somewhat disappointing to the public which had been led to the belief that the earnings would be substantially greater than a year ago. But while the earnings of $4.73 per share in 1926, compared with $4.84 in 1925, are not yet sufficient to pay the current dividend on the preferred, the balance sheet shows assets nearly $300,000 greater than a year ago, or a total of $14,362,905. This increase is represented by an increase in accounts receivable and inventories. Fixed assets, due to depreciation, are down about $100,000.

With the outlook for 1927 even brighter than was the outlook for 1926, it is expected that the next annual report of this company will be more satisfactory than any in recent years, even if there is no recasting of capital to take care of the arrears of dividends on the preferred stock, as has been predicted.

Feels U. S. Competition

Directors in their report say that sales for the year 1926 improved in Canada, but they point out that competition with American manufacturers is severe and necessitates a heavier expense in selling than otherwise would be incurred. Foreign sales for the company were within 5 per cent. of the high mark achieved in 1925. Collections, it was noted, continue to show improvement.

A reduction in working capital is shown, that item now standing at $4,980,434, compared with $5,641,673 at the end of 1925. Current assets at the end of 1926 were $5,361,396 and current liabilities at $380,962. The relation between the two, however, continues highly satisfactory.

Profit and Loss

	1926	1925	1924
Profits	$305,450	$313,505	$64,347
Bal. forward	70,091	54,303	116,277
	$375,541	$367,808	$180,624
Written off	......	297,717	61,671
Dividends	258,600	......	64,650
Balance	116,941	70,091	54,303
Total	$375,541	$367,808	$180,624

Stock Range Pfd.

	High	Low
1926-27	76	57

Premier Trust Earnings Reach Higher Figure

Premier Trust Company, of London, earned $25,336 in 1926, an increase over 1925. Earnings fell short by $235 of dividend and expense requirements. It is explained, however, that $906 was paid out of year's earnings for taxes applicable to early years.

Comparative figures follow:

Profit and Loss

	1926	1925	1924
Earnings	$25,336	$23,932	$22,976
Expenses	6,093	5,219	5,099
Interest	7,417	7,989	5,963
Taxes	2,549	1,751	1,695
Written off	712	937	1,350
	$16,771	$15,896	$14,107
	$8,565	$8,036	$8,869
Distribution—			
Dividends	$8,800	$8,293	$7,931
Reserve	....	....	1,000
*Balance	$235	$257	$62
Prev. Bal.	796	1,053	1,114
P. & L. Bal.	$561	*$796	$1,052

*Debit.

Statement of Assets

	Capital Account	Guar. Account	Estates Trusts etc.
1917	$128,500	$20,436	$31,039
1918	137,941	21,776	307,486
1919	139,536	33,026	344,604
1920	141,362	42,540	443,567
1921	152,691	52,690	652,401
1922	155,880	66,990	706,449
1923	157,216	90,426	733,317
1924	168,788	115,976	762,994
1925	178,296	127,378	774,718
1926	175,927	142,479	745,091

UNLISTED SECURITIES

	Bid	Asked
Alberta Pac. Grain, com.	21½	24
Do., pref.	87½	90
Brooks Motor 1 pref. & com.	5	7
Do., 1 pref. & 2 com.	7	9
Can. Machinery, com.	5	6½
Can. Westinghouse, com.	184	190
Chase, A. W., com.	8	..
Do., pref.	..	80
Dunlop Tire, pref.	90	93
Fanny Farmer, com.	25	28
Farmers Dairy, com.	62	..
Goodyear Tire, 6% pref.	93	96
Gunns, Ltd., pref. (new)	100	103
King Edward Hotel, Deb. A	70	74
King Edward Hotel, Deb. B	61	64
Loew's Buffalo, pref.	48	54
Mount Royal Hotel, com.	5½	6½
Nat. Grocers, 1st pref.	95½	98
Nat Grocers, com.	2	6
Continental Life, 20% paid	42	47
Crown Life	128	..
Empire Life	24	29
Excelsior Life 29% Paid	66	..
Great West Life	430	440
Monarch Life 10% Paid	31½	35
Mortgage Discount, pref.	6	6¾
Ontario Equitable	25	28
Re-Insurance	24	27
Security Life 40% Paid	26	31
Sun Life. 75% paid	650	..
Toronto Finance, pref.	3	4
Willard's pref.	67	71
Canada Life	725	..
Capital Life 20% paid	19	..
Mount Royal, pref.	54½	56

Stock Market Record

WEEK ENDING FEBRUARY 8

	Div. Rate	Yield Feb. 7	High for wk.	Low for wk.	Close Feb. 8	Close Feb. 1	Sales for wk.	Range, 1926-7 High	Low
Banks—									
Commerce	12+1	5.31	244	240	244	242	268	248	214
Dominion	12+1	5.72	227	225	226	227	99	230	207
Can. Nationale	10	6.13	163	163	163	165	13	170	157
Imperial	12+1	5.90	223	219½	223	220	237	222	220
Montreal	12+2	4.89	289	286	286	290	155	295	251
Nova Scotia	16	5.16	310	307	308	307	46	310	281
Royal	12+2	5.38	264	260	260	262	246	270	248
Standard	12	5.85	205	205	205	206	62	207	189½
Toronto	12	5.07	236½	235	236½	238	79	238½	213
Paper—									
Abitibi, com. (no par)	5	5.92	85¼	83	83	84	2168	98	70½
Do. pref.	7	6.03	116	116	116	115	1	116	106¾
Belgo-Can., pref.	7	6.82	102¾	102	102	102	134	102¾	95¾
Brompton (no par)	50c	1.45	33½	32½	33	32¾	1446	38½	26
Inter. Paper, com.	50c	3.55	57⅞	55½	55¾	57¼	3300	63¾	44½
Laurentide	6	5.64	106¼	102½	104	105	4118	118½	81½
Price Bros., com.	2	3.33	60½	59	60	60½	245	76¾	57
Do. pref.	6½	6.40	102½	101	101½	103	89	104	95
Prov. Paper, com.	6+1	5.93	118	118	118	121	2	121	100
Do. pref.	7	6.60	...	...	...	...	...	107	100
Smith, Howard, com.	.	...	68¾	64	64	64½	805	68¾	38
Do. pref.	8	7.54	106	104	106	104	65	106	92¾
Span. River, com.	7	7.00	100⅛	99½	99½	99½	857	114¾	96½
Do. pref.	7	6.14	114	113½	113½	114	533	120	108
Wayagamack	$3	6.12	49½	48½	48½	50¼	242	59½	48½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	...	...	...	...	...	3½	¼
Do. 1st pref.	.	...	19	18	18	18½	185	30	9
Do. 2nd pref.	.	...	2¾	2¾	2¾	2¾	560	10¾	1
Can. Car & Found., com.	.	...	48½	47¾	48	48½	765	50¼	33
Do. pref.	7	7.71	91½	90¾	91	90½	780	92½	73
Can. Fairbanks, pref.	.	...	80	80	80	80	17	80	60
Can. Forgings, com.	.	...	...	...	...	...	...	17	8
Do. pref.	.	...	67	67	67	66	25	70	41½
C.G.E. com. (par $50)	.	...	50	50	50	50¼	13	53	47
Do. pref. (par $50)	7	6.06	58¼	57½	57½	58¼	263	60	58½
Canada Iron, com.	.	...	12	12	12	12	1	12	9
Do. pref.	4	9.09	44	44	44	44	1	44	39
Can. Locomotive, com.	.	...	48	45	45	40	35	48	35
Do. pref.	7	7.97	87¾	86	86	85¾	11	89½	73
Dominion Coal	.	...	72½	72	72	75	65	75	40
Dominion Iron, pref.	.	...	...	...	...	...	...	24¾	5
Dominion Bridge	4+2	4.54	134	118⅞	132	118	10005	134	80
Dom. Radiator, pref.	7	6.89	101½	100	100	101	14	103½	100
Dom. Steel Corp., pref.	.	...	...	...	...	...	...	26	10⅝
Ford Motor	10	...	...	...	...	...	...	622	500
Gould Pumps, pref.	7	7.00	...	...	...	...	...	100½	100
Kelvinator, com. (no par)	.	...	11½	11	11	11	100	24½	9⅞
Do. pref.	7	7.69	91	89½	89½	91	30	95¾	88
McKin. Ind. c. (no par)	.	...	...	...	...	...	...	31½	15
Do. pref.	7	7.50	93¼	93¼	93¼	93¼	35	97½	87
Massey-Harris, com.	.	...	78	67½	77	68	4665	78	40
Do. pref.	7	6.61	106½	105	105	105¾	77	106½	98
N.S. Steel, pref.	.	...	...	...	...	...	...	25	20
Ontario Steel, com.	4	5.26	76	76	76	76	1	78½	60
Do. pref.	7	6.84	102¼	102¼	102¼	102	10	103	98
Page Hersey, c. (no par)	$3	5.31	57	56	56	56½	160	59½	43
Do. pref.	7	5.98	117½	116	117½	117	298	120	100½
Pressed Metals, com.	.	...	37	37	37	36	50	40	30
Do. pref.	.	...	...	...	...	...	...	85	85
Russell Motor, com.	3	6.12	...	...	...	...	...	50	39
Do. pref.	7	7.60	92	91¾	92	92	40	93	76
Sawyer-Massey, pref.	.	...	...	...	...	...	...	13	5
Steel of Canada, com.	7	5.44	129½	119½	127	119⅛	2000	129½	95⅝
Do. pref.	7	5.30	133½	130	133	131	99	133½	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	18¾	18	18½	18½	156	26⅝	18
Do. pref.	7	8.14	86	84	86	85	57	92	83
Atlantic Sugar, com.	.	...	28	27½	27½	28¼	407	32⅞	22
Do. pref.	.	...	90	90	90	90	25	93	75
B.C. Fishing	5	5.57	89⅞	86	88½	86½	4145	108½	57¼
Can. Bak., c. (no par)	.	...	29	29	29	30	8	37⅞	26¼
Do. pref.	7	7.07	99	98	98	98	63	100	92
Can. Bread, c. (no par)	$2.50	2.71	92	91	92	90½	126	95	53
Do. pref. (A)	7	6.36	110½	110	110½	110	20	112	105
Do. pref. (B)	7	6.73	104½	104	104	104	73	108	96¼
Can. Canners, com.	.	...	25½	24	25	24¼	110	30	12
Do. pref.	4	5.03	79½	78¾	78⅞	79	408	80	60
Canadian Salt	8	6.15	132	130	132	125	55	145	123
Christie Brown (no par)	$1.20	3.00	...	...	...	...	...	63½	31
City Dairy, c. (par $25)	$3+1	4.44	90½	88½	89¾	89½	1017	91	65½
Do. pref.	7	6.03	116	116	116	115	3	116	107
Cuban Can. Sugar, com.	.	...	3½	3½	3½	3½	15	6	3
Do. pref.	.	...	32¼	32	32	32	120	37	21
Wm. Davies (A) (no par)	.	...	26	25	25	27	35	37¼	25
Do. (B) (no par)	.	...	...	...	...	...	...	12	9
Dom. Stores (no par)	$2.40	3.33	72	70	72	68	480	72	56
Hamilton Dairies, com.	.	...	...	...	...	...	...	25	21¾
Do. pref.	7	7.29	...	...	...	...	...	96	96
Inter. Milling, pref.	7	6.60	106	105½	106	105	40	106	98½
Lake of Woods, com.	12	7.64	157	155	157	160	107	175	139
Do. pref.	7	5.98	117	116½	117	116¼	20	118	115
Loblaw, com.	$1.25	2.50	50½	48	50	48	95	55	29¾
Do. Rights	.	...	2½	2⅛	2⅛	2⅛	135	2½	2
Do. pref.	7	6.51	107½	107½	107½	107	10	108	100½
Maple Leaf Mill, com.	.	...	61½	61½	61½	70	50	88	50⅝
Do. pref.	7	7.03	100	99¼	99	100	149	102	90
Ogilvie Flour, com.	5	2.16	237	215	237	209	196	237	165½
Do. pref.	7	5.73	122	122	122	122	15	125	117
Pure Gold Mfg. (no par)	$2	10.00	...	...	...	...	...	23½	17½
Shred. Wh., c. (no par)	$3	5.33	56½	56	56	55	215	59	47½
St. Law. Flour, com.	.	...	31	31	31	30¾	38	45	26
Do. pref.	7	8.33	...	...	...	...	...	84	79¼
Viau Biscuits, com.	.	...	...	...	...	...	...	28	18
Do. pref.	7	8.14	86	86	86	88	20	89½	85
West. Groc., c. (no par)	.	...	29	25	29	23	89	34½	23
Do. pref.	7	9.09	77	77	77	78½	7	80	62
West. Can. Fl., c. (no par)	$1.40	6.36	22	22	22	22	50	25	18
Do. pref.	6½	6.37	102	102	102	102	6	103	97¾
Utilities—									
Bell Telephone	8	5.71	140½	139	140½	139	397	142½	136
Calgary Power	.	...	...	...	...	...	...	52½	47
Cedar Rapids	3	...	...	...	...	...	...	50	40
Consumers Gas	10	5.76	173½	173	173½	173	84	183⅞	170
East Koot. Power (no par)	.	...	...	...	...	...	...	33	25
Do. pref.	7	7.21	...	...	...	...	...	97	97
Inter. Util. (A) (no par)	$7½	...	...	...	...	...	...	38½	28
Jamaica Pub. Ser., pref.	7	7.14	98½	98	98½	98	43	99½	96
Laurentide Power	5	4.44	115	112½	112½	115	206	130	100
Mackay, com.	7	5.69	123½	123	123	122½	17	138½	119
Do. pref.	4	5.59	72	71	71½	71½	541	73½	68¾
Mexican Light, com.	.	...	...	...	...	...	...	33	27
Do. pref.	.	...	95	90	95	80	85	95	64
Mont. L H & Pr. (no par)	$2	2.79	71½	70½	71¼	70½	1919	75	59
Montreal Teleg. (par $40)	8	5.33	50	50	50	50	8	51½	47
Ottawa & Hull Pr., com.	.	...	28	28	28	28	35	30¾	25
Do. pref.	7	7.21	...	...	...	...	...	97	96
Nor. Mexico Pr., com.	1	...	51	49	51	48	245	55	40
Do. pref.	7	8.43	83	83	83	82½	100	86	80
Ottawa L. H. & Pr., com.	6	6.06	99	99	99	99½	52	101	92
Do. pref.	6½	6.29	103½	103½	103½	103¼	5	105¼	100
Quebec Power, com.	6	2.61	230¼	221	223½	221½	10150	230¼	118
Do. pref.	7	3.57	...	...	...	...	...	200	109½
Shawinigan	8	2.90	275	273	275	276½	18	277½	167½
Do. (new)	.	...	69	67¼	67¼	69	7273	69¾	67⅝
South. Can. Power, com.	2	2.24	89	89	89	89	238	98	81
Do. pref.	6	5.97	101	100½	100½	100½	53	104½	99
Transportation—									
Can. Pacific Rly.	10	5.61	180	171	178	171	422	180	147
Can. Steamships, com.	.	...	37	36	36	36	435	39¼	29½
Do. pref.	1½	6.85	89⅛	86¼	86⅛	86¼	3243	89⅛	75
Do. voting	.	...	34	33	33	33½	205	35	11
Tractions—									
Barcelona (par $50)	.	...	42	39½	41	39½	1400	42	26
Brazilian, com.	6	5.24	117¼	113⅝	117	115	37496	123½	80
Do. pref.	6	5.63	106½	106	106½	106	460	108	97½
Detroit Un. Rly.	.	...	2¾	2¾	2¾	2	10	3½	1
Duluth-Superior	.	...	27½	27	27	27½	15	33½	25
Illinois Traction, pref.	6	6.00	...	...	...	...	...	100½	96¼
Montreal Trams	10	5.71	175	174	175	175	123	190	159
Ottawa Traction	4+1	7.81	65	64	64	68	77	74¼	60
Porto Rico Rlys., com.	1	...	60½	59½	60½	59	70	61	40
Do. pref.	7	7.60	...	...	...	...	...	94½	85½
Twin City, com.	5	7.72	64¾	63½	63¾	64	982	79½	58
Do. pref.	7	7.00	100	100	100	101	20	103	100
Winnipeg Elec., com.	1	...	63½	62	62¾	63½	1252	66½	45
Do. pref.	7	6.82	103½	102	103	103	188	104	95
Textiles—									
Can. Conn. Cotton, pref.	4	8.69	46	40½	46	41	106	49	35
Can. Converters	7	6.86	102¼	100	102¼	100	290	104	90
Can. Cotton, com.	8	6.40	...	...	...	...	...	125	113
Do. pref.	6	6.00	100	100	100	100	10	100	92½
Can. Woollens, com.	.	...	8	8	8	8	7	10	4
Do. pref.	.	...	62	60	62	60	36	62	45
Cosmos Imp., com.	.	...	15	13	14	14⅞	113	16½	13
Do. pref.	4	4.38	92	91¼	91¼	93	66	93½	91¼
Dom. Textile, com.	5	4.64	110	106	109½	105¼	3610	110	89
Do. pref.	7	5.80	...	...	...	...	...	122	115
Monarch Knitting, com.	.	...	...	...	...	...	...	7½	7½
Do. pref.	.	...	...	...	...	...	...	60	30
Montreal Cottons, com.	6	5.43	110½	110½	110½	110	35	115½	102
Do. pref.	7	6.06	...	...	...	...	...	115½	110
Penmans, com.	8	3.93	207⅛	190	205	187	2808	207½	173
Do. pref.	6	5.91	...	...	...	...	...	104½	100¼
Wabasso Cotton	4+50c	4.01	112	108	112	109	590	112	60
General Industrials—									
Amer. Sales, c. (par $20)	4	5.59	71½	71½	71½	71½	5	72½	54
Do. pref.	7	7.14	98	98	98	98	13	98	92
Asbestos Corp., com.	.	...	24½	23⅜	23½	23½	1784	25¾	16½
Do. pref.	7	8.14	87	84⅞	85½	84½	9897	87	62
Brant. Cord. pf. (par $25)	8	8.88	23	22½	22½	22½	224	27½	21
Building Products, pref.	7	7.44	95	94	95	93½	19	95	83
Burt, F. N., com.	12	5.04	59½	58½	58½	58	136	67½	50
Do. pref.	7	3.33	...	...	...	...	...	210⅛	210⅛
Canada Cement, com.	6	4.42	137¼	129	135	129	4484	137¼	98
Do. pref.	7	5.82	120¼	119	120	119½	76	120½	113
C. Ind. Alc. (no par)	$1.28+20	5.22	25	23⅝	24⅜	24¾	12230	34⅞	16¼
Canadian Oil, com.	5	4.00	...	...	...	...	...	125	65
Do. pref.	8	6.80	117½	117	117½	117½	35	120	113
Crow's Nest Coal	6	9.09	...	...	...	...	...	85	51
Dom. Glass, com.	7	6.54	107	105½	107	105	730	108	81
Do. pref.	7	6.19	113	113	113	114	35	114½	103
Dom. Rubber, pref.	7	8.75	...	...	...	...	...	87½	80
East Theat. c. (par $25)	.	...	29	29	29	29	100	30	18¾
Do. pref.	7	7.36	...	...	...	...	...	95	83
Famous Players, com.	.	...	26	26	26	23½	10	26	11
Do. pref.	8	8.24	99¾	97½	98	96½	311	101	88
Gilman, com.	6	4.91	...	...	...	...	...	127½	104½
Do. pref.	7	5.38	...	...	...	...	...	131	113½
Goodyear Tire, pref.	7+3½	7.17	98	97	98	97	99	99¼	85
Holt, Renfrew, com.	.	...	...	...	...	...	...	50	26
Do. pref.	7	7.77	...	...	...	...	...	92	84½
King Ed. Hotel	.	...	27	24	24	29¼	65	29¼	20
Loew's, com.	.	...	...	...	...	...	...	40	36
Do. pref.	7	7.10	98½	98½	98½	102	15	102	90
Lyall Construction	.	...	38	36	38	37	165	48	20
Nat. Brew. c. (par $25)	4	5.73	69¾	67	69	68¾	10868	72	56
Do. pref.	7	6.42	...	...	...	...	...	110	101¾
National Brick, com.	.	...	8	8	8	8	120	12½	8
Do. pref.	7	9.85	71	71	71	71	180	72	60
Pacific Burt, com.	6	6.81	...	...	...	...	...	110	88
Do. pref.	7	6.57	106½	106½	106½	107	1	110	102
Port Hope Sanitary, com.	3	2.40	125	125	125	130	9	130	74½
Do. pref.	7	6.66	...	...	...	...	...	106	90
Rogers, Wm., com.	.	...	68	68	68	68	103	70	45
Do. pref.	7	7.38	98	94¾	94¾	92	16	100	90
Seagram (no par)	.	...	24¼	20½	22⅝	21¼	56764	24¼	14¼
Standard Chem., pref.	.	...	...	...	...	...	...	9	9
Sher.-Williams, com.	6	4.02	149½	143	148	143	216	149½	125
Do. pref.	7	5.88	119	119	119	120	10	120½	110½
Sterling Coal	4	11.11	36	36	36	36	25	43	36
Tooke Bros., com.	.	...	...	...	...	...	...	8	8
Do. pref.	.	...	89	83	89	82	286	89	56
Tuckett Tobacco, com.	4	5.55	72	72	72	71	70	73	58
Do. pref.	7	6.66	...	...	...	...	...	105¾	100
Woods Mfg., com.	.	...	45	45	45	45	55	48	33
Do. pref.	7	7.93	...	...	...	...	...	90	77¾
Trust and Loan—									
Central Canada	12+8	...	...	...	...	...	...	210	210
Can. Landed (par $50)	10+1	5.52	99½	96	99	95	53	100	90
Can. Permanent	12	5.45	220	218	220	220	53	221	202¼
Colonial Invest.	6	...	6½	6½	6½	7	100	7	4
Huron & Erie	7+½	5.39	...	...	...	...	...	139	127½
Landed Banking	9	5.59	...	...	...	...	...	161	150
Montreal Loan (par $50)	12+1	6.50	...	...	...	...	...	50½	50
National Trust	12	5.17	...	...	...	...	...	255	232
Do. Rights	.	...	...	...	...	...	...	25	20½
Ontario Loan (par $50)	11	4.69	117	117	117	113	5	117	103½
Real Estate Loan	7	7.00	100	100	100	95	11	100	83
Toronto Gen. Trusts	12	5.33	...	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.44	...	...	...	...	...	101	93½
Union Trust	7	6.73	...	...	...	...	...	105	98

CURB AND UNLISTED MARKETS

	Div. Rate	Yield Feb. 7	High for wk.	Low for wk.	Close Feb. 8	Close Feb. 1	Sales for wk.	Range, 1926-7 High	Low
Andes Pete	.	...	...	...	...	...	...	6⅝	6⅝
Anticosti, pref.	7	7.08	...	...	...	...	...	98¾	98¾
Attendu Engine (par $1)	.	...	18½	16	16	18¾	385	43¾	7
Asbestos Warrants	.	...	...	...	...	...	...	34¾	34¼
Beacon Oil	.	...	18⅛	18¼	18½	18½	900	21	14¾
Belding, com.	6	7.14	85	83	83	86	25	88	75
Do. pref.	7	6.86	...	...	...	...	...	102½	92½
Br. Ar. Oil (par $25)	10+50c	2.71	92½	91½	91⅞	90	810	93	47
Do. new	.	...	23⅝	22⅝	23	22¾	12351	28¾	20
Brew. & Distil. (par $5)	.	...	4⅝	4⅝	4⅝	4½	250	5½	4¼
Can. Brewing	.	...	30⅛	29¾	30	30	1110	30¼	29¾
Can. Nor. Pr. c. (no par)	.	...	51	50	50	51	90	52	28
Do. pref.	7	7.03	99¼	99½	99½	99	25	99½	89¼
Cockshutt, pref.	4	5.55	73⅛	72	73	75½	120	83⅞	57¾
Continental Oil	$1	4.76	...	...	...	...	...	26	17⅝
Cosgrave Brew. (par $10)	5	6.66	7⅞	7½	7¾	7½	542	9	5
Cooksville Shale Brick, c.	.	...	...	...	...	...	...	10¾	10¾
Do. pref.	1	...	...	...	...	...	...	50½	50½
Com. Alcohol	.	...	...	...	...	...	...	49½	49½
Dom. Engineering	$3	2.00	155	145	155	140	60	155	65
Dom. Power, pref.	7	...	...	...	...	...	...	100¼	100¼
Dryden Power (no par)	.	...	14	13	13	14	500	15½	5½
Can. Light & Pr.	.	...	23	21¼	21⅝	...	242	23	21½
Eastern Dairies (no par)	.	...	22¼	21½	21½	21½	72	22¼	15½
East. Engineering	.	...	...	...	...	...	...	2½	1
Eng. Elec., com. (no par)	.	...	...	...	...	...	...	24½	15
Do. pref.	.	...	...	...	...	...	...	75	59¼
Fraser, pref.	7	...	...	...	...	...	...	94½	94½
Good. & Worts (no par)	$1	2.13	48⅝	44	46½	48	2647	48⅞	27½
Hiram Walker	.	...	39½	35	37½	39¾	13111	40	28½
Illinois Power, pref.	7	7.07	99	99	99	99½	15	100	95
Imperial Oil	$1+12½	2.66	42	40¼	41⅝	40½	6754	42⅝	32¼
Imp. Tobacco, c. (no par)	6	...	7	6⅞	6⅞	7	655	7½	6⅞
Inter. Petroleum	75c	2.27	33¼	32¼	32¼	32¼	750	35¼	29¼
Manitoba Power (no par)	.	...	56	56	56	56	35	58½	24
McColl, com. (no par)	80c	3.48	23	22½	23	22¾	135	25	18⅝
Do. pref.	7	6.79	103	102	102	102½	37	103	95
Newsprint Corp.	.	...	...	...	...	...	...	27	18
North Star Oil, com.	.	...	115	115	115	130	100	130	75
Do. pref.	7	...	...	...	...	...	...	500	450
N.S. Car, com.	.	...	25	23	25	20½	100	25	7½
Ott. Mtl. Pr. c. (no par)	.	...	20	20	20	20	50	20	13
Do. pref. (par $50)	7	7.17	48⅝	48⅝	48⅝	48½	20	48⅝	48
Ottawa Riv. Pr. (no par)	.	...	26	26	26	28	29	26	25
Paton Mfg. com. (no par)	.	...	55	55	55	56	50	56	50
Do. pref.	.	...	99	99	99	99	40	100	75
Power Corp., c. (no par)	.	...	28¾	28½	28½	28¾	378	29¼	22
Do. pref.	6	6.18	97	97	97	96	20	97	92
Port Alfred, pref.	7	7.29	...	...	...	...	...	96	96
Que. South. Pr. (no par)	.	...	...	...	...	...	...	28½	25
St. Maur. Power	.	...	96	96	96	96	60	101	72½
St. Maur. Valley, com.	.	...	52½	50	52½	50	177	65	40
Do. pref.	7	7.29	...	...	...	...	...	96	95
Simpson, Robt., pref.	6	5.97	100⅛	100½	100½	99½	10	102	99
Sovereign Secs. (par $5)	.	...	...	...	...	...	...	210	150
St. Law. Pap., c. (no par)	.	...	50	46	46	50	225	60½	35
Do. pref.	8	7.40	108	107½	108	107	40	109½	103⅝
Toronto R.S.	.	...	...	...	...	...	...	195	110
United Secs., com.	.	...	...	...	...	...	...	65	50
Do. pref.	6	5.71	105	105	105	105	1	106	102
Volcanic Oil	63c	...	38	38	38	38	12	39	26
Venezuelan Pete (par $5)	.	...	7½	7⅛	7½	6¾	350	7½	6¾

A.J.Pattison,Jr.&Co.

MEMBERS
Toronto Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
Specialists Unlisted Bonds and Stocks
219 Bay Street, (Ground Floor) Toronto Elgin 5101-5102-5103 5104-5105-5106

The Protective Association of Canada

BALANCE SHEET

as at 31st December, 1926

ASSETS

Cash in Banks and on Hand	$ 44,481.74	
Cash in Agents' hands for Travelling Expenses	204.61	
		$ 44,686.35
Agents' Net Balances for Outstanding Premiums		11,234.91
Bonds and Debentures at Book Value	$215,376.40	
Accrued Interest	2,357.50	
		217,733.90
Office Furniture		1,940.31
		$275 595.47

LIABILITIES

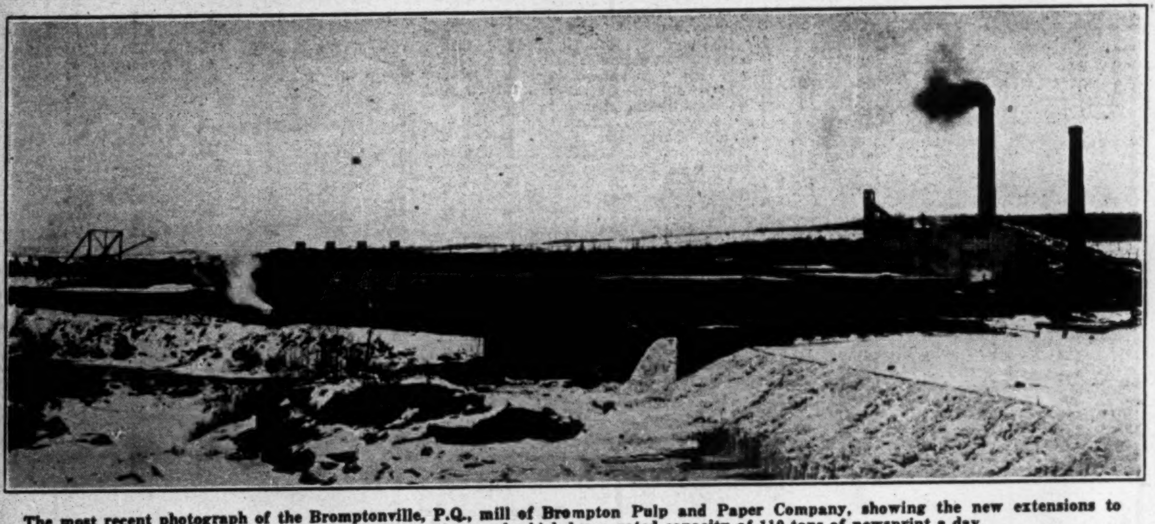
Claims Outstanding — known or reported, proof not fyled:		
Accident	$ 11,847.27	
Sickness	17,174.68	
		$ 29,021.95
Accrued Salaries		2,283.30
Reserve for Taxes		6,500.00
Reserve for Unearned Premiums—100%		90,319.59
Capital Stock:		
Authorized	$ 50,000.00	
Issued—fully paid		50,000.00
Profit and Loss Account:		
Balance per Statement attached		97,470.63
		$275 595.47

E. E. GLEASON,
General Manager.

J. G. FULLER,
Secretary.

Audited and found correct.—ROBSON, RITCHIE & CO.

Brompton's New Unit Which is Now Operating



The most recent photograph of the Bromptonville, P.Q., mill of Brompton Pulp and Paper Company, showing the new extensions to the plant, which is now operating, and which has a rated capacity of 110 tons of newsprint a day.

Pulp & Paper

BATHURST TURNS IN SATISFACTORY ANNUAL REPORT

Earnings Maintained at 1925 Level — Position Undergoes an Improvement

From Our Own Correspondent

MONTREAL.—While the operating profits of the Bathurst Company for the year ending December 31, 1926, were at the same level as in 1925, yet there has been an all-round improvement in the position of the company. The profit and loss figures show a decided reduction in bond and other interest with the result that $68,191 was transferred to profit and loss account as compared with $16,158 last year. The balance sheet figures also show a decided improvement with a resulting betterment in the working capital position. The profit and loss and the working capital figures over the last two years compare as follows:

	Year Ended Dec. 31— 1926	1925
Operating profit	$ 853,437	$ 854,032
Bond interest	181,184	188,279
Other interest	82,173	98,645
Depreciation	463,646	460,644
Depletion	51,985	86,808
Surplus for year	$ 74,499	$ 19,658
Deduct prov. for income tax thereon	6,308	3,500
Balance	$ 68,191	$ 16,158
Working Capital	1926	1925
Current assets	$1,579,398	$1,493,311
Current liabilities	1,075,001	1,366,733
Working capital	$ 504,397	$ 126,578

Balance Sheet Changes

The most significant change amongst the assets during the year was the decrease in the deficit account from $253,828 at the close of 1925 to $185,637. Investment and advances account has increased by some $447,000, due probably to the acquisition of the entire capital stock of the Cascapedia Manufacturing and Trading Company.

During the year the capital stock outstanding was increased by about $400,000 and now stands at $10,184,200. The outstanding bonds have declined by $100,000 and now total $2,537,500, and depreciation reserve is carried at $2,817,203—an increase of some $460,000.

The operating results which the Bathurst Company obtained should give a pretty fair indication of the results being achieved by the Canadian pulp and paper industry as a whole, for Bathurst has a varied production amounting daily to 50 tons of sulphide, 70 tons of kraft pulp, 65 tons of newsprint, and a surplus of groundwood pulp.

Remarks to Shareholders

In the report to the shareholders, Angus McLean, the president, says in part as follows:

"During the year your plant operated continuously at capacity, with the exception of the lumber manufacturing department which was closed down because of market conditions, which did not permit of operation at a profit. Market prices for easy bleaching sulphite, kraft pulp and newsprint, were reasonably satisfactory during the year, and your directors feel that profits from these departments of the business have been well maintained.

"Balance sheet is also attached of the Cascapedia Manufacturing and Trading Company, as at December 31, 1926. This company, all of whose capital stock is now owned by your company, holds under lease from the province of Quebec approximately 1,066 square miles of timber lands tributary to the Grand Cascapedia, Little Cascapedia and Bonaventure Rivers, in the province of Quebec. The ownership of these lands constitutes a most valuable reserve timber supply for your company, and your directors are of the opinion that the book value at which your company's investment in the Cascapedia Manufacturing and Trading Company's shares is carried is substantially below the real value of the Cascapedia Company's properties.

"Given a continuance of present operating and market conditions, your directors look forward to the wiping out of the small balance now standing as a deficit at profit and loss on your books and to substantially increasing the company's net working capital during the next twelve months."

Nova Scotians Reject Embargo

From Our Own Correspondent

MONTREAL.—Of the twenty-three annual meetings of municipalities in the province of Nova Scotia, only one voted in favor of an embargo or export tax on pulpwood. One municipality deferred action and two took a neutral stand. Of the remaining nineteen, twelve voted unanimously against an embargo or export tax and, in the remaining, by a substantial majority, the vote was decidedly against any restrictive legislation.

In but one of the whole twenty-three councils was the vote taken along partisan lines. In every other instance resolutions were moved by a Conservative and seconded by a Liberal. The voting in the municipalities appears to indicate clearly that Nova Scotia as a whole is not in favor of any restrictive legislation on pulpwood.

Wayagamack Company Shares Are Attractive

From Our Own Correspondent.

MONTREAL.—The satisfactory position occupied by the Wayagamack Pulp and Paper Company receives attention in the monthly market letter of the stock exchange house of Johnston and Ward. In recommending the shares to the investor the letter says:

"The market rise in this stock has been greater than in the case of any other paper security in the same interval, for in 16 months the price of 57 more than doubled, to a level of 116 before a split was made. This plan would account for most of the advance, but along with this there has gone an increased earning power, both from the older business of sulphate pulp and wrapping paper, and also from the new development of newsprint production through a subsidiary, Wayagamack News. The earnings of the company for the past year showed an increase even over the excellent statement of the previous year, and thoroughly justified the initial declaration of a $3 a share basis for the new no-par value stock, which represented 6 per cent. on the old stock. During the current year the company should show substantial earnings on its newsprint property. These will come to it direct, as it operates the plant under lease from the Wayagamack News, the terms of which cover only operating costs and fixed charges, leaving the balance of net profit to accrue entirely to the Wayagamack Company, after a provision for sinking fund requirements. The company is in a sound financial position, and the stock looks like a rather attractive investment at present levels."

Powell River Company Plans Large Development

The Powell River Company is planning a large industrial development on Graham Island which will involve an expenditure of at least $1,250,000. The development is being undertaken so that more wood may be available at the mill at Powell River, B. C.

The company recently purchased one thousand million feet of Graham Island pulp timber from the government. The Powell River Company will spend not less than $500,000 in creating a new port on Graham Island as an outlet for these new timber limits. There will be in addition railway construction on the island, a project which will employ many men during the next two years. Preliminary surveys of the proposed railway have already been completed and construction will be started at the earliest possible date. A standard gauge line will be brought inland from the port at a cost of some $750,000. Logs will be brought to tidewater by the railroad and taken to Powell River to be manufactured into paper.

Canadian Rayon Co. Make Issue of Preferred

Utilization of woodpulp in the manufacture of by-products, more especially artificial silk or rayon, has made rapid progress in recent years. A large proportion of the Canadian output of bleached sulphite pulp is utilized for this purpose, and the mills of this country now turn out about one-half of the world's supply of pulp used in rayon production.

To date, the industry has been more or less confined to the provinces of Ontario and Quebec, but announcement is now made to the effect that the first rayon mill on the Pacific coast will shortly be constructed at New Westminster by the Canadian Rayon Pulp Co.

An offering of $200,000, 15-year 7 per cent. first mortgage sinking fund notes, is being made in this connection by the Fidelity Securities, of Vancouver and Victoria, at a price of 100, each note carrying a bonus of 40 per cent. common stock. The company has been capitalized at $2,825,000, and the present issue is part of $750,000 fifteen year bonds authorized.

The company is acquiring from the Dominion Government a site known as Poplar Island, situated on the North Arm of the Fraser River, upon which will be constructed a sulphite plant for the production of pulp. The plant will have a total output of fifty tons, which, it is understood, has already been contracted for by the Westminster Paper Co. and the Sidney Roofing and Paper Co., Sidney.

Canadian Celanese Soon to Start New Plant

From Our Own Correspondent.

MONTREAL.—The Canadian Celanese is inaugurating operations at its plant in Drummondville, P. Q., on which construction work began some eight months ago.

It is expected that the weaving department will be ready to start operations about the middle of March, but it will be some time later before the spinning department is ready to open. Meanwhile the yarns will be obtained from the British and American plants of associated companies, operating under the Dreyfus patents.

It will be recalled that the company was organized about a year ago; Canadian Celanese having acquired the sole rights for the Dominion of Canada and its dependencies to manufacture cellulose acetate and articles produced therefrom under the Dreyfus patents and processes. British Celanese has been in operation for some years, and an American company, operating under the same patents, has been in successful operation since the British company was established.

Selling Has Begun

While the big plant was in process of construction here, the company was by no means idle. A sales organization for the Dominion has been well under way for some time, but the scope of its operations has been somewhat circumscribed owing to the difficulty of obtaining products from the British and American companies for the Canadian trade owing to the requirements of their own markets. The fact that the demand for yarns and fabrics has been far in excess of the supply has demonstrated the remarkable reception accorded the company's products. The initial output of the new Canadian plant of one ton a day will not, it is feared, be able to meet the demand.

Notwithstanding the difficulty of obtaining goods, the company has sold upwards of $1,000,000 in Canada since August last. The British plant has orders on hand for yarns which will take until next August to complete, and the best delivery that can be obtained on fabrics is ninety days.

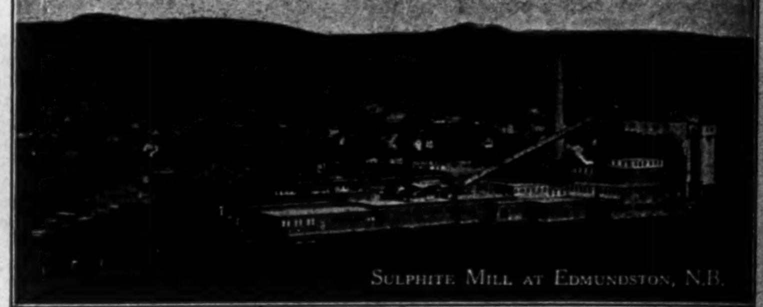
The products the company will turn out are favorably known to the trade from the Atlantic to the Pacific.

Wabasso Cottons
are Canada's best

WABASSO COTTONS include Sheets, Sheetings, Pillow Cases, Circular Cottons, Madapolams, Cambrics, Nainsooks, Longcloths, Lawns, Voiles, Twills; also a complete colour range in Mulls, Voiles, Check Nainsooks, Lingerie Cloths and Broadcloths in the newest shades. And WACOSILKE is a beautiful and exclusive new fabric which has won popular favour.

THE WABASSO COTTON COMPANY, LIMITED
THREE RIVERS, QUE.

FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :-: Bleached Sulphite Pulp :-: Fine Papers



SULPHITE MILL AT EDMUNDSTON, N.B.

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Bank Notes, Bonds, Municipal Debentures, Stock
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Newman, Sweezey & Co.
LIMITED
136 St. James Street Montreal

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

Annual Capacity: 150,000 Tons of Groundwood
Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office:
CHICOUTIMI, P.Q.
Cable Address:
"SAGUENAY,
CHICOUTIMI"

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE . QUEBEC

Woods Manufacturing
Company, Limited
Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine
Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics
FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND
HEAD OFFICE:
MONTREAL

PORT ALFRED PULP &
PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

St. Maurice Valley
Corporation
Successors to
Belgo-Canadian Paper Company, Limited,
Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited,
Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC

DOMINION STORES EARNED $412,245; PROSPECT BRIGHT

Profits Equivalent to $5 Per Share on Common After Income Tax

PREFERRED IS RETIRED

Stock is Now of One Class; Gross Sales, Working Capital Also Touch New High Figures in 1926

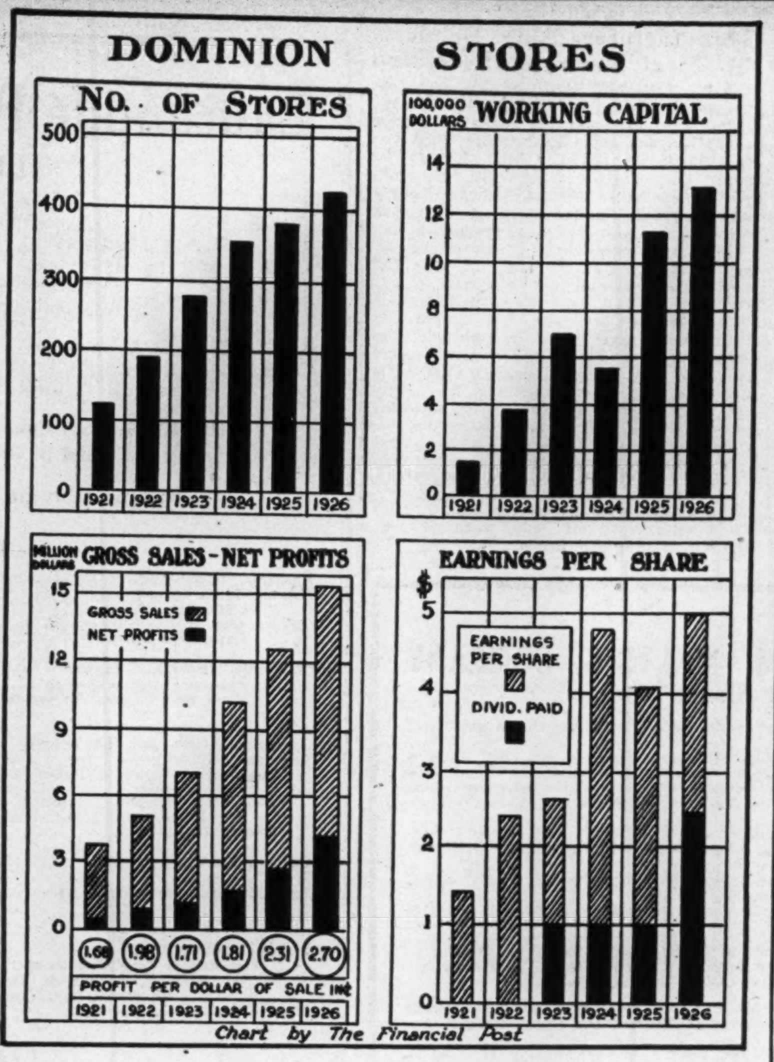

Chart by The Financial Post

Year	Stores	Gross sales	Net prof.	Prof. per $ of sales	Working capital	Earn. per com. share	Div. on common
1921	122	$ 3,481,153	$ 58,245	1.68c.	$ 187,755	$1.41	.....
1922	191	5,059,509	100,092	1.98c.	396,418	2.43	.....
1923	285	7,663,653	131,206	1.71c.	648,365	2.64	$1.00
1924	354	10,348,233	187,299	1.81c.	579,835	4.89	1.00
1925	386	12,616,588	291,849	2.31c.	1,123,596	4.05	1.00
1926	423	15,256,877	412,245	2.70c.	1,317,960	*5.00	2.40

* Outstanding preferred redeemed July 1, 1926, at $15 premium. Calculation of earnings rate also includes provision for 1926 income taxes.

Earnings of Dominion Stores, Ltd., totaled $412,245 in 1926 according to the balance sheet just published. This is equivalent to slightly more than $5 the share after making provision for income tax. The company's surplus is increased by $100,254 to $515,960. Current assets total $2,178,um on preferred stock redeemed, $16,822 preferred dividends, $177.000 dividends on common and $26,332 in federal income tax for 1925 and $500 on an option written off.

The company's net profit has grown rapidly as the number of stores and the gross volume of sales have increased. It is interesting to note that, as has been demonstrated in other chain-store organizations, the profit per dollar of sales is extremely moderate and that it has increased in ratio with sales. This trend is illustrated in the accompanying charts.

Working capital, which was $187,755 at the end of 1921 and $1,123,596 at the end of 1925, is now $1,317,960. Currents assets total $2.178,898 and current liabilities are $860,938.

One Class of Stock

The capital structure of the company is now in a very simple and attractive form, consisting of an authorized capital of 150,000 shares without par value, of which only 75,000 shares have been issued and are outstanding. On July 1st. last, the whole of the outstanding Class A and Class B preference stock in the treasury was changed to no-par value stock. The preference stock was redeemable at par with a premium of $15 the share The company has no funded debt and closed the year without a bank loan.

At the beginning of last year, the company had 386 stores, and closed the year with 423 stores, in Ontario and Quebec. In addition to the opening of 37 new stores, the company caused to be moved to more commodious and convenient locations a number of stores which had grown beyond the former quarters. The increase in business during the year was gratifying.

Operates Bakery

During last year, the company purchased the bakery premises on Shanley Street, Toronto, which it had operated for some years under lease. It has constructed a large addition to this bakery, and has installed the latest and most modern bakery equipment, including a travelling tray oven. having a capacity of 1,500 loaves of bread per hour. With its present facilities, this Toronto bakery has a capacity of at least 125,000 loaves per week. and has ovens available for the baking of all the various lines of cake which the company sells throughout its stores. All the bread made at this bakery is sent out to the stores wrapped, and is, therefore, available to the public in the most sanitary form.

The company soon will operate a bakery in Montreal, equipped with the latest and most modern machinery, and will have facilities for supplying the whole of the stores operated from its Montreal warehouse, with wrapped bread and cake supplied from its own Montreal bakery.

Commencing at the end of the first quarter in 1926, the no par value stock of the company was placed upon a quarterly dividend basis. Sixty cents per quarter, or a total of $2.40 per share, was paid during 1926. Dividends upon the preferred stock were paid regularly from the inception of the company until the redemption of the preferred on July 1st, last.

Owns Its Warehouses

It is the intention of the company to proceed with their policy of opening new stores as rapidly as favourable locations present, and the general prosperity and progress of Canada warrant. At the present time the company's stores extend from Windsor in the west, to Thetford Mines in the east, and from Timmins and La Tuque in the north to Niagara Falls and Sherbrooke in the south. In Toronto the Company has more than 90 stores, and more than 80 in the city of Montreal.

The company owns its warehouses. both in Toronto and Montreal, and during the past year has added a great deal of space to its Toronto warehouse. These warehouses are located in both cities to serve conveniently and quickly the needs of the stores supplied through them. The company maintains its own bacon slicing departments, its own candling rooms where all the eggs sold in the stores are candled and graded before sent out to the stores, and at the Toronto warehouse a butter cutting plant, where all butter is graded and cut and sent out to the stores under the company's own Braeside and Mayfield Butter brands. The company also maintains its own tea blending and tea packeting equipment, and sells its own blends of teas in its stores, under its now well-known labels.

Sees Bright Future

The management looks forward with confidence to a substantial increase in the company's business for next year, and a steady increase in net profits and surplus. They feel that Canada has entered upon a period of great prosperity, and they hope to open stores over their whole territory as rapidly as may be desirable to accommodate the growing needs of the buying public. Business so far in 1927 has been good.

The company has as one of its slogans "Where quality counts," and during the past year they carefully maintained their reputation for selling high quality goods at consistently low prices. During the year it has introduced under its own "Domino" label, fancy grades of various canned goods and other articles, the quality of which it proposes to maintain at the highest level. It will continue to stock all the best known lines of nationally advertised grocery products.

A definite idea of the rapid growth and development of the Company can be obtained from a study of the increase in volume of sales for the past six years. In 1921 the company's total sales were $3,461,153; in 1922 they were $5,059,508; in 1923, $7,663,652; in 1924, $10,348,233; in 1925. $12,616,588, while during the year just closed the total sales were $15,256,877.00.

Market Record

Year	High	Low
1923	27¼	26¼
1924	36	24½
1925	72¾	28½
1926	70¼	56
x1927	72	65

xTo Feb. 5.

"Bridge" Position Better; Stock Now Responds

From Our Own Correspondent

MONTREAL.—The rise in the shares of the Dominion Bridge Company brought the price of the stock back to the levels at which it was changing hands nine years ago. In 1922 the company cut its dividends from $8 to $4, and last year the shareholders, with the declaration of a 2 per cent. bonus, received $6 per share. The rise in the stock is presumably based on the expectation of increased disbursements to the stockholders.

The company is in an exceptionally strong financial position, with a working capital of large proportions for a company of its size and requirements. And, while the profit and loss account for the fiscal year ending October 30 last showed a satisfactory result, undoubtedly the earnings are running at a higher level than the balance sheet revealed, for Dominion Bridge is working on the immense new bridge at Montreal, from which profits will not be shown for a year or two, and, then again, the balance sheet did not reveal the profits from many uncompleted jobs started during the last fiscal year. Industrial construction activities in 1926, and at present, are at record levels; this cannot fail to be reflected more generously in the company's profit and loss account in the future.

The subsidiary, the Dominion Engineering Works, has steadily increased its earning power and last year gave the parent company $6 per share on its stock. This amounted to around 1½ per cent. per share on the common stock of the parent company. This subsidiary has worked itself into a much better financial position and earnings have been steadily increasing. It seems obvious that the improved situation surrounding Dominion Bridge must eventually bring a larger measure of profits to the shareholders.

INVEST YOUR SAVINGS
in a 5½% DEBENTURE of
The Great West Permanent Loan Company
5½% Interest Return
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

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GLASS of all descriptions
All kinds of flat glass available
For immediate delivery and in large quantities.
Case goods, fancy glass, wire inlaid, leaded, plain, striped or prismatic, colored, church glass, etc.
Also sole manufacturers
NON-SHATTERABLE.—PERFECT VISION.—BULLET PROOF GLASS
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First Mortgage Investments, Property Management

New Head Office MONTREAL
(Under construction)
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Progress
SOUND business principles and a policy of gradual expansion have marked the steady growth of this Bank for over fifty years.
Today, one of the largest and strongest banks in the world, it serves every phase of business and private life at home, and is taking a leading part in the expansion of trade in foreign markets.
The Royal Bank of Canada

NEW ISSUE
22,000 SHARES
(No par value)
Lake Ontario Brewing Company, Limited
Transfer Agents: Montreal Trust Company.
Registrars: Canadian Trust Company.
Bankers: Royal Bank of Canada.
CAPITALIZATION
Common shares (without par value)...................... Authorized 22,000 Issued 22,000
The Company, as organized, will have no stock outstanding other than this issue. There will further be no mortgages or funded debts and the business, after this financing, will have ample cash working capital and be entirely free of any debts or liabilities. From reliable sources, including a letter from the General Manager, endorsed by the President, we summarize:—
PLANT AND PROPERTY—The buildings are commodious, of modern brick concrete and steel construction, excellently situated at Kingston, Ontario, (Portsmouth), on valuable water frontage with a deep water wharf. The equipment and machinery have only recently been newly installed and are in perfect condition and up to date in every respect. The Canadian Appraisal Company have placed a valuation of over $397,883 upon the physical assets, since when additions have been made amounting to $17,000. Current assets exceed $70,000.
A modern bottling plant has also been recently installed.
The direction of laying out the new building and installation has been under the well-known Brewery Architect and Expert, Mr. Julius C. Schultz, of Buffalo, and there is probably no more up-to-date plant in the country capable of producing strong beer, ales and stout of unexcelled quality.
EARNINGS—In the Company's old plant a certain amount of export business with a local business in light beer has been carried on pending the new Ontario Government regulations and even on this limited turnover a dividend was earned equal on the present issue and at the offering price to a yield of 9%. This gives no indication of profits which can be shown from the present Brewery's capacity of 200 barrels (in 8 hours) at a net profit of at least $2.50 a barrel, making $150,000 per annum, or nearly $7.00 a share on the Capital. If the Brewery sold only one half of its capacity which could be easily done without going outside of the City of Kingston and the immediate vicinity, the profits then should be equal to a return of 14% on the shares at $25.00 each. The market in Ontario cannot fail to expand rapidly as it has done in Quebec, where the consumption in ten years has more than doubled.
MANAGEMENT—The management will remain in the hands of the same gentlemen hitherto responsible for building up the present property and business almost entirely out of past earnings.
Special attention will be given to producing only beer and ales of first quality.
MARKET—There are no other Breweries in Kingston or for some considerable distance from it and a wide territory can therefore be served, by reason of the fact that the license held by this Company is the only one procurable, in this district. No attempt has been made to value permits and license.
DIRECTION—John F. Sowards, President; Matthew Hanson, Managing Director.
These shares are offered for sale and delivery if, as and when issued and received by us, and subject to the approval of all legal proceedings by Messrs. Perron, Taschereau, Vallée, Genest & Perron, Montreal. and Messrs. Rigney & Hickey, Kingston,
It is expected to have certificates ready to issue by the Montreal Trust Company within ten days. Application will be made for listing this issue quickly on the Montreal Curb Market.
Price: $25.00 per share
Bruneau & Rainville
Montreal
J. M. Robinson & Sons
Montreal
Geoffrion & Co.
Montreal Ottawa
Ernest Savard Limitée
Montreal Quebec
J. M. Robinson & Sons Limited
St. John, Moncton, Fredericton.
The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Public Utilities

QUEBEC POWER EARNED 7.84 P.C. IN PAST YEAR

Subsidiary's Earnings Also Show Marked Improvement for 1926

From Our Own Correspondent.

MONTREAL.—A satisfactory improvement is seen in the annual report of the Quebec Power Company for the year ending December 31, 1925. Earnings, both gross and net, show a decided improvement and the company wrote off an increased amount for depreciation during the year. While the net working capital shows a decline caused by expenditures on extensions, yet a very satisfactory ratio is maintained between current assets and current liabilities. The profit and loss and the working capital over the past three years compare as follows:

	1926 $	1925 $	1924 $
Gross Inc.	1,238,301	1,046,943	908,470
Oper. Exp.	271,034	236,444	230,280
Balance	967,267	810,499	678,186
Interest	300,000	300,000	300,000
Deprec.	100,000	60,000	30,000
Net Rev.	567,267	450,499	348,186
Pfd Divs.	251,466	207,665	156,184
Com. Divs	220,884	198,607	157,352
Surplus	94,917	44,225	34,649
Prev. surp.	57,576	36,006	1,357
*P. & L. bal.	152,493	80,232	36,006
P.C. on Com.	7.84	6.07	4.37

*Subject to deduction for income tax.

Changes in the balance sheet were not of a spectacular character. Amongst the assets, plant and investment account show some increase and the total assets are up over $300,000. In the liabilities, with the exception of the increase in the depreciation reserve and in the surplus account, the changes were of an insignificant character.

Remarks to Shareholders

In his report to the shareholders, Julian C. Smith, the president, said in part:

"During the year your directors authorized substantial expenditures on account of extensions to the company's equipment. Furthermore, in keeping with the company's policy, advances have been made to the company's subsidiaries, principally the Quebec Railway, Light, Heat & Power Company, Limited. The general expansion of this company's business and that of its subsidiaries will, however, probably necessitate additional capital being obtained in the near future.

"During the past year industrial development in the city and district of Quebec, served by the company, has been of considerable magnitude. Two new paper mills being erected by the Anglo-Canadian Pulp and Paper Company and the Ste. Anne Paper Company have been among the larger of the developments. The operation of these mills and other projects which are under way will indirectly bring about a substantial increase in the company's business, not alone in the electric department of the company, but in the railway and gas department as well.

"The general increase of the company's business during the year has made necessary the construction of additional transmission lines, including a line to Murray Bay for service in the Murray Bay Pulp and Paper Company. In the city proper there is constantly being carried on additions and improvements to the company's circuits.

"The improvements at Kent House and grounds have been reflected in beneficial results to the company, both the hotel and golf club having been largely patronized throughout the year."

Subsidiaries Report

The report of the Quebec Railway, Light, Heat and Power Company, in which the Quebec Power Company owns about 97 per cent. of the outstanding stock, issued its annual report at the same time as the parent company.

For the first time in many years, the subsidiary showed earnings sufficient to allow the payment of a dividend.

The profit and loss figures of the subsidiary over the past three years compare as follows:

Working Capital Position

	1926 $	1925 $	1924 $
Curr. Assets	1,216,807	1,539,865	1,441,936
Curr. Liabs.	379,452	294,774	302,884
Work. Capital	837,354	1,245,090	1,139,052

	1926 $	1925 $	1924 $
Gross Inc.	3,546,951	3,243,123	3,133,806
Oper. Exp.	2,392,945	2,194,987	2,156,492
Oper. Inc.	1,154,005	1,048,135	977,314
Fixed Chgs.	846,880	816,895	712,642
Deprec.	200,000	220,000	250,000
Net Rev.	107,125	11,240	14,671
Dividend	100,000	......	......
Surplus	7,125	11,240	14,671
Prev. Surp.	11,933	......	492,189
Total	19,058	11,240	506,861
Extra Exp.	.....	......	*83,001
Balance	19,058	11,240	423,859
To Dep. Res.	.....	......	423,859
xP. & L. Bal.	19,058	11,240	......

*Extraordinary repairs and expenses in 1923.
xSubject to income tax.

Bonds Were Retired

In his report to the shareholders of the subsidiary company, Julian C. Smith, the president, says in part as follows:

"During the year $182,000 of the company's 7 per cent. general mortgage bonds have been sold and the proceeds applied to construction and betterments.

"The plan outlined in 1923, calling for expenditures in repairs and improvements to the property in general, was continued during the year. The construction of new car shops, as indicated in last year's report, was undertaken during this summer, and it is anticipated that these shops will be in full operation in the month of May, 1927."

Public Utility Earnings

Northern Mexico Power

December	1925	1926	Inc.	%
Gross	97,766	123,924	26,157	26.75
Net	78,927	103,948	25,020	31.70
Twelve Months—				
Gross	1,040,818	1,306,052	265,233	25.48
Net	810,745	1,055,265	244,520	30.15

RAILWAY EARNINGS

Canadian Pacific

Week end.—	1927	1926	Change
Jan. 31	$4,300,000	$4,091,000	+$209,000

Canadian National

Week end.—	1927	1926	Change
Jan. 31	$6,664,833	$5,979,669	+$685,163
Feb. 7	$4,631,526	$4,383,618	$247,907

Profitable Telephones in Okanagan Area

Okanagan Telephone Co. which serves Okanagan Valley from Salmon Arm to the international boundary and which has paid 6 per cent. on its stock for some years is now on a 7 per cent. basis. Last year's business was the best in the company's history, with more telephones being in use than ever before.

Company will spend $60,000 on new equipment and extension around Penticton during the coming season. New modern switchboards will be installed and other works performed which will give South Okanagan one of the best systems in the country.

OTTAWA TRACTION SPENDS MILLIONS ON ITS PROPERTY

Report Reveals Little of Earnings of Street Railway in Capital

The annual report of Ottawa Traction Co., holding company for Ottawa Electric Railway Co., as usual records merely the dividend payments of its operating subsidiary, amounting to $279,075, offset by disbursement of 5 per cent. dividends (4 per cent. regular and 1 per cent. bonus) to the common shareholders of Ottawa Traction. Total assets of the holding company are given as $8,693,130, of which $3,000,000 is 5½ per cent. gold bonds of the railway company and $5,581,500 is the par value of the 34,884 outstanding shares of the railway company. The balance sheet is almost an exact reprint of the balance sheet for 1925.

T. Ahearn, president, states that the company has been making satisfactory progress since the signing of the new agreement with the city in January, 1924. All departments have been carefully scrutinized, it is asserted, and the assets have been put into first-class condition. A number of miles of track have been re-laid and further reconstruction is planned for the coming year. The company has built new car shops and has converted an old car barn into a garage.

Expenditures in buying buses and establishing routes have been justified, it is declared. The company's franchise precludes competition from other vehicles on the streets other than taxicabs.

Construction work costing $2 250,000 in the last year or two included an addition to the power plant on Albert Street.

SEES DANGER CAN. FIRE COMPANIES DISAPPEARING

(Continued from page 1)

in the foregoing table include companies nominally Canadian but controlled by British and foreign companies, as will be seen from the following:

Canadian Fire Companies
(% of total)

	1905	1915	1925
Purely Canadian	89	62	31
British Controlled	11	38	46
U.S.A. Controlled	..	..	23
Total	100%	100%	100%

Carry 4.1 per cent. of Business

From these figures it will be seen that in 1905, 21 per cent. of the total business was carried by companies nominally Canadian, and as most of this business was carried by companies owned or controlled in Canada, 18.8 per cent. of the total business was carried by purely Canadian companies. In 1915, 17 per cent. of the business carried was nominally Canadian, but of this amount only 31 per cent. was carried by companies owned or controlled in Canada, so that only 10.6 per cent. was carried by Canadian-owned companies. In 1925, only 13 per cent. of the total business was nominally Canadian, and of this only 4 per cent. was carried by purely Canadian companies. "This progression from 18.8 per cent. in 1905 to 10.6 per cent. in 1915, to 4.1 per cent. in 1925 is still going on and it appears to be only a matter of time, unless some change takes place, when all our purely Canadian fire insurance companies disappear."

Suggests Change in Law

What is the solution of this problem? Mr. Finlayson suggests that the prohibition in the Canadian law which prevents re-investment in other fire companies, be made less rigid.

"It is now recognized that this prohibition might be made less rigid, permitting a company to invest in the stock of another company carrying on the same class of business, provided—

"(a) That the amount so invested did not exceed, say, ten or fifteen per cent. of the purchasing company's total assets, and

"(b) That under no circumstances should stock not fully paid, be invested in, so that no contingent liability would be created for the investing company. Consideration should be given to an amendment of the act along these lines."

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft Erie Bdge 7s '55	107½	108½
Do 8s '45	107	108
Buff Gen Elec 1st 5s '39	103¾	104¾
Do pref 5s '39	103½	104¼
Bfo N & E Pow 5s '30	99¾	100¾
Lockport L H & P 5½, '54	102½	104½
Niag Lock & Ont 1st '55	100	101
Do 1st & con 6s 1950	105½	106½
STOCKS		
Niagara Falls Pow pf	27¾	28¾
Niag Lock & Ont pf	113	144

BUILDING PRODUCTS' YEAR SATISFACTORY

Report is Expected to Show Substantial Increase in Earnings Over 1925

Although the annual report of Building Products, Ltd., will not be available for some weeks yet, preliminary estimates of earnings for 1926 indicate a material improvement over the previous year, when the merger of Bird & Son and Rubberoid Roofing Co. was effective only in the latter part.

Building Products, Ltd., operates a paper mill at Portneuf, Que., with a daily capacity of fifteen tons of sheathing paper and pulp board, a felt mill at Pont Rouge, Que., with a capacity of 30 tons of rag felt per day, roofing factories and wallboard plant at Highlands, Montreal, and a roofing and asphalt shingle plant at Hamilton, Ont.

The purposes of the merger were to economize on overhead and administration, and in purchasing and marketing. According to officials of the company, these have been achieved. The profits from operations in 1925 were $89,206, after providing for income tax.

Manufacturers Bldg. Bonds Meet Favorable Reception

First mortgage bonds of the Manufacturers' Building, offered by the United Bond Co., are meeting with favorable reception and it is anticipated that the full issue of $144,000 will shortly be sold. The offering represents less than sixty per cent. of the United Bond's own appraisal and less than fifty per cent. of an independent appraisal.

It is said that there is an active demand by manufacturers' agents and others for suitable office space in Toronto at present and this statement is borne out by the fact that before the foundation has been completed, the owner has a request for five entire floors of space in it. Provided that rentings come up to expectations, the interest requirements on the issue, amounting to $28,000, will be earned three times over.

We Recommend:-
TORONTO BREWING & MALTING COMPANY
$12.00 Per Share Net

Capitalization, 200,000 shares of no par value of which 120,000 shares are issued and outstanding.

Properties located on corner of Dundas and Simcoe Streets, are conservatively valued by McWilliams & Lockhart, Realtors, Toronto at $152,702.00. Total area 65,820 sq. ft. Buildings are undergoing extensive alterations and additions under plans of Anglin-Norcross, Ltd., Contractors, Toronto, and Montreal. Value by them when completed, $400,000.00.

Plant equipment will have a daily capacity of four hundred (400) barrels of beer daily. Is already equipped with malting plant which will undoubtedly prove an immense earning asset.

Total equipment, completed, valued at $450,000.00 by A. Gusmer, Inc., Chemical Engineers, Woodbridge, N.J., who are installing the plant.

Company will have $200,000.00 working capital in addition to its very valuable licenses.

Directors:—Duncan McLaren, President of Union Lumber Co. J. J. Doran, President Soo Falls Brewery, Director Sudbury Brewery. W. A. MacKenzie, President W. A. MacKenzie & Co. Hon. Gideon Robertson, Senator.

Mr. Duncan McLaren estimates net profits will be in excess of $300,000.00 annually or better than $2.50 per share. Listing shares on Toronto and Montreal Stock Exchanges to be applied for.

It is our firm belief that this stock has real merit at the prelisting price at which we offer it, $12 per share net.

Write for Further Particulars

MORGAN U. KEMERER
29 Melinda Street Toronto, Canada

ANNOUNCEMENT

MR. J. L. GRAHAM
Formerly of Macneill, Graham and Company, announces the formation of the firm
J. L. GRAHAM & CO.
INVESTMENT BANKERS
Bank of Hamilton Building

TORONTO, FEB. 10, 1927 MAIN 1889

LAKE OF THE WOODS MILLING CO. LTD
Makers of FIVE ROSES FLOUR
Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
CAPACITY, 20,000 BARRELS DAILY
President and Managing Director: FRANK S. MEIGHEN, C.M.G.
Vice-President & Gen'l. Manager: WM. W. HUTCHISON.
Directors:
R.M. BALLANTYNE, TANCREDE BIENVENU, HON. SIR LOMER GOUIN, K.C.M.G. GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN, J. K. L. ROSS; N. J. BREEN.
Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

Electrical Energy
in the City of Montreal

RELIABLE
Six (6) Hydro-Electric Power plants and large steam plant Reserve.

CONTINUOUS
Available for use 24 hours per day and every day. No restrictions.

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Approximately 300,000 H. P. available.

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FOR
Manufacturers from High Taxes, High Labor Rates, High Labor Turnover, Power Problems, Freedom to Expand on Ample Sites, Permits Concentrated Effort on Production.
We have located plant to the value of over $25,000,000 in the last five years under the above ideal conditions.
WE CAN DO IT FOR YOU
SOUTHERN CANADA POWER COMPANY LIMITED
330 Coristine Building— Montreal

Laurentide Power Company
LIMITED

OFFICERS

F. A. Sabbaton, President
Julian C. Smith, Vice-President.
Louis Armstrong, Treasurer.
Wm. F. Robinson, Secretary.
F. E. McNally, Asst. Secretary.

DIRECTORS

J. E. Aldred, F. A. Sabbaton, Julian C. Smith, Edwin Hanson, George Chahoon, Jr., Howard Murray, Charles R. Hosmer, A. A. Tilney, Capt. J. H. A. Acer.

OFFICES: 1021 Canada Cement Building, Montreal, and at Grand'Mère, P. Que.

Balance Sheet December 31st, 1926

ASSETS

Property, Hydro-Electric Development			$20,076,523.54
Sinking Fund Investment:			
First Mortgage Bonds—			
Cost of Bonds redeemed	$720,744.68		
Cash with Trustee	472.98	$721,217.66	
General Mortgage Bonds—			
Cost of Bonds redeemed	15,150.00		
Cash with Trustee for redemption	15,920.55	31,070.55	752,288.21
Operating Stores and Equipment		90,375.79	
Accounts Receivable—			
Shawinigan Water & Power Co.—Power for December	$ 81,250.00		
Laurentide Company, Limited — Power for December	46,890.03		
Sundry Debtors	857.81	128,997.84	
Cash in Bank and on hand		317,176.24	536,549.87
Prepaid and Deferred Charges			8,708.66
			$21,374,070.28

Audited and Verified,
Our Report dated 24th January, 1927, is attached.
SHARP, MILNE & CO.
Chartered Accountants.
Montreal, 24th January, 1927.

LIABILITIES

Capital Stock—			
Authorized	$10,500,000.00		
Issued and fully paid up 105,000 shares of $100, each fully paid.			$10,500,000.00
Bonds—			
First Mortgage 5 per cent. 30-year Sinking Fund Gold Bonds due 1946, Authorized and Issued		$7,500,000.00	
General Mortgage 5½ per cent. 20-year Sinking Fund Gold Bonds due 1946—			
Authorized	$2,000,000.00		
Issued		1,525,000.00	9,025,000.00
Accounts Payable—			
Bills Payable		$13,375.00	
Water Rentals		27,501.44	
Accrued Taxes		76,643.54	
Sundry Creditors		10,821.96	
		$128,341.94	
Bond Interest Payable 2nd Jan., 1927	$213,225.00		
Dividend Payable 15th January, 1927	131,250.00		
Unclaimed Dividends and Coupons	2,734.71		
Sinking Fund Instalment payable 2nd Jan. 1927	16,135.48	363,345.19	491,687.13
Reserves—			
Sinking Funds		$752,288.21	
Depreciation		500,000.00	
Contingent and Insurance Funds		90,000.00	1,342,288.21
Profit and Loss Account			15,094.94
			$21,374,070.28

Approved on behalf of the Board,
HOWARD MURRAY,
J. H. A. ACER.
} Directors

PROFIT AND LOSS STATEMENT

Year ended 31st December, 1926

Earnings—		
Gross Revenue from Power		$1,476,766.49
Miscellaneous Income, Interest on Investments, Rents, etc.		6,980.55
		$1,483,747.04
Expenses—		
Operation	$63,422.14	
Maintenance	57,487.74	
Water Rentals	60,232.88	
Taxes (Provincial and Municipal)	45,148.09	
General Expenses	36,544.19	262,835.04
Net Earnings from Operations		$1,220,912.00
Deduct—		
Interest on Bonds	$458,875.00	
Proportion of Bond Conversion (1925) expense	7,860.00	466,735.00
Profit for the year		754,177.00
Less—		
Provision for income tax, 1926		50,000.00
		704,177.00
Add—		
Surplus brought forward from previous year		26,167.94
		730,344.94
Deduct—		
Sinking Fund for Redemption of Bonds	$ 90,250.00	
Dividend @ 5% for year, paid quarterly	525,000.00	
Transferred to Depreciation Reserve	100,000.00	715,250.00
Surplus Carried Forward		$ 15,094.94

SHARP, MILNE & CO.,
Chartered Accountants,
Montreal, Toronto, New York.

Montreal, January 24th, 1927.

The President and Shareholders,
Laurentide Power Company, Limited,
Montreal.

Gentlemen:

We have audited the Books and Accounts of your Company for the year ended 31st December, 1926, and attach hereto the following statement, viz.:

Balance Sheet as at 31st December, 1926.

Profit and Loss Account for the year 1926.

Satisfactory vouchers have been produced for all disbursements.

Inventory valuations have been accepted under certificate of your Manager of Operations, as to quantities and value.

Securities and Bank Balances have been verified by certificate of the various depositories.

The provisions for Sinking Fund as called for by the Trust Deeds have been made.

CERTIFICATE

We have examined the attached Balance Sheet as at 31st December, 1926, with the Books and Vouchers relating thereto and certify that, in our opinion, such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given us, and as shown by the Books of the Company.

We have received all the information and explanations we have required.

Respectfully submitted,
SHARP, MILNE & CO.,
Chartered Accountants.

REPORT OF THE BOARD OF DIRECTORS OF THE

LAURENTIDE POWER COMPANY, LIMITED

SUBMITTED TO THE SHAREHOLDERS OF THE COMPANY AT THE ANNUAL MEETING, FEBRUARY 15TH, 1927.

The Board of Directors of the Laurentide Power Company, Limited, submit herewith to the Shareholders a statement of the operations of their Company for the year ended December 31st, 1926.

The total revenue for the year from all sources was $1,483,747.04. After making provision for interest charges, bond conversion expense, water rentals, operation and maintenance, there results a surplus of $754,177.00, less provision for Income Tax, 1926, $50,000.00, plus the surplus for the previous year, $26,167.94, making a surplus of $730,344.94.

From this should be deducted the Sinking Fund for the redemption of the Bonds of $90,250.00, the dividends at the rate of 5 per cent., amounting for the year to $525,000.00, and the amount provided for depreciation reserve $100,000.00, total $715,250.00, leaving a surplus to be carried forward of $15,094.94.

The operating conditions of the Power Plant of your Company have been normal in all respects during the past year, as have the deliveries of power under existing contracts and, therefore, the financial returns have been almost identical with those shown in the preceding two years. The physical condition of the properties belonging to your Company are being maintained at the highest possible standard.

Respectfully submitted,
F. A. SABBATON,
President.

The Ontario Loan and Debenture Company

The Fifty-sixth Annual General Meeting of the Shareholders of this Company was held on Wednesday afternoon, 9th instant, at the Company's Offices, London, Ontario.

The chair being taken by the President, Mr. A. M. Smart, the Manager, Mr. T. H. Main, who acted as Secretary, read the motion calling the meeting, and the minutes of the last Annual Meeting were, upon motion, confirmed.

The Annual Report was then presented, as follows:—

FIFTY-SIXTH ANNUAL REPORT

London, Canada, January 25th, 1927.

To The Shareholders:—

Your Directors beg to submit their Report for the year 1926, accompanied by the Balance Sheet and the Auditors' Certificate.

The year proved a satisfactory one for the Company, resulting in a fair increase in volume of business and an encouraging increase in profits.

After payment of Provincial and Municipal Taxes, Interest, Expenses and Charges, and after making ample provision for possible losses and contingencies, the

Net earnings for the year 1926 are		$306,089.50
Balance brought forward from previous year		55,115.55
From this Total available		$361,205.05
Dividends (Quarterly at the rate of 11% per annum) have been paid	$192,500.00	
Transferred to the Reserve Fund	75,000.00	
		267,500.00
Balance		$ 93,705.05
Dominion Government Income War Tax		23,937.10
Balance carried forward		$ 69,767.95

Business conditions generally have improved, including agricultural conditions in Western Canada, where another good crop year, with continuance of satisfactory grain prices, has given added encouragement, and a better demand for farm lands is resulting.

Mortgage payments have been very well met in all localities, and the percentage of payments in arrear is lower at the end of 1926 than for several years past.

Your Directors record with deep regret the death on 2nd instant, after a short illness, of Mr. J. F. Kern, one of the Company's Auditors for the past 20 years. With his co-auditor, Mr. F. G. Jewell, Mr. Kern carried on his work throughout the year with his accustomed efficiency and thoroughness. Mr. Jewell has since carried the audit to completion, as evidenced by the Audit Certificate in prescribed form accompanying the Balance Sheet.

All of which is respectfully submitted.

A. M. SMART, President.

FINANCIAL STATEMENT
31st December, 1926

ASSETS:

Office Premises (freehold)	$ 40,000.00
Real Estate held for sale	47,245.79
Mortgages—Principal $6,879,965.43; Interest $193,212.75	7,073,178.18
Loans on Stocks and Bonds	34,324.76
Securities of United Kingdom, Dominion of Canada and Provinces of Canada	1,305,435.89
Securities of Canadian Municipalities, School Districts and Rural Telephone Debentures	920,686.08
Securities guaranteed by Dominion of Canada and Provinces of Canada	610,298.63
Cash in Chartered Banks in Great Britain	4,198.58
Cash in Chartered Banks of Canada	171,634.36
	$10,207,002.27

LIABILITIES:

To the Public:—			
Debentures, Sterling, including accrued interest		$1,011,580.28	
Debentures, Currency, including accrued interest		3,673,768.25	
			$ 4,685,348.53
Deposits			928,760.79
			$ 5,614,109.32
To the Shareholders:—			
Capital Stock subscribed, $2,550,000.00			
Capital, fully paid	$1,550,000.00		
Capital, partly paid	200,000.00		
		$ 1,750,000.00	
Reserve Fund		2,725,000.00	
Dividend payable 3rd January, 1927		48,125.00	
Profit and Loss Account, Balance carried forward		69,767.95	
			4,592,892.95
			$10,207,002.27

A. M. SMART, President. T. H. MAIN, Manager.

To the Shareholders of The Ontario Loan and Debenture Company:

I hereby certify that I, together with the late Mr. J. F. Kern, audited the books and accounts of The Ontario Loan and Debenture Company continuously during 1926 until December 22nd, and I have completed the audit for the year and find them correct and the above statements in accordance therewith. I have verified the Cash and Bank Balances and have examined the Company's securities and find them in order. All our requirements as Auditors have been complied with, and, in my independent opinion and according to the information and explanations given me, the above statements are properly drawn up and set forth fairly and truly the state of the Company's affairs.

All transactions that have come within our notice have, I believe, been within the powers of the Company.

F. G. JEWELL, F.C.A.,
Auditor.

London, Ontario, 25th January, 1927.

The President in moving the adoption of the Report said in part:—

The Shareholders will, I am sure, feel quite as gratified as do the Directors with the very satisfactory Report which has been in your hands for some days. The good record of your Company has been kept up. Its earnings show a moderate increase over those of the previous year, and there are many indications that the general conditions of business in Canada have undergone much improvement since our last meeting and give promise for the future.

Upon consulting business barometers we find car loadings are greater. Employment shows a considerable increase. Railway earnings, both gross and net, are much larger, and immigration new and returning to Canada developing in a most encouraging manner—all decidedly promising features.

Those of our people engaged in the pursuit of agriculture have had two years of more than average crops with fairly good prices for the products of their efforts. This has enabled them to liquidate much of their more pressing indebtedness and imbued them with new optimism wherewith to meet and overcome the problems of the years to come.

Canada still retains her position as the greatest wheat exporting country, the latest estimates of our Western Prairies' yield of that cereal being well over 400,000,000 bushels for the crop of 1926.

Nor are our manufactures and mines to be ignored. The productions of pulp and paper which was negligible twenty-five years ago, has now assumed a large place, only second to wheat, in our Export trade, the output of newsprint of the Canadian Mills being greater in 1926 than that of the United States Mills. Great advances have also been made in the production of nickel, lead, zinc and other minerals, not forgetting the Province of Ontario's contribution (for the second time) of gold to the amount of over $30,000,000.

While your Company is not directly interested in any of these or similar activities, their prosperity is indirectly of great benefit in that it all helps create a demand in many ways for the services we can render. The consequent increased savings and investment in our Debentures furnishes us with the additional wherewithal to perform them.

These moneys intrusted to our keeping are greater by nearly $400,000 at the end of 1926 than at the end of the previous year, and at the same time our Mortgage Loans show an increase of $530,000 being now in excess of $7,000,000. It is very gratifying to find that notwithstanding the total of these loans has increased as stated, the amount of overdue interest thereon is actually less than it was a year ago, and the interest overdue one year or more is only one-fifteenth of one per cent. of the principal sum.

Our investments in bonds and securities of the Dominion, the Canadian Provinces, and Municipalities is also slightly larger than a year ago. The enhancement in market value of none of these is taken into account. The yield rate at which such bonds can be purchased is pretty steadily decreasing in common with the general interest rates, including those presently obtainable on mortgage loans. Indeed, for the past two years or more we have found our average rates on new loans month by month almost constantly indicating a lower figure.

This, of course, does not make for larger earnings and if continued for a sufficient time must ultimately have the opposite effect. There are other not particularly bright clouds in the offing, such as the Federal Farm Loans Bill, to which the Dominion Government seems to be pledged, but we shall probably have the strength to withstand any chilly blast of competition that may come from that quarter. There is also the all enveloping cloud of taxation which is still amply thick, although lightened during the past year to some extent, by the reduction of our rate of Dominion Income Tax from 10½ per cent. to 9 per cent., and we are not ungrateful.

Referring to the matter of profits, fortunately for us a much pleasanter subject, the Directors have not been unmindful of their duty to the Shareholders in respect of dividends as well as their obligation to our Depositors and Debenture holders to ensure the absolute safety of their funds. We have considered it the part of wisdom during the difficult years of deflation and adjustment following the war to conduct our business as economically as possible, distributing a reasonably good steady Dividend, adding annually to our Reserve Fund and to grow in strength and stability in this manner is considered of more enduring benefit to our Shareholders than a possible higher level of dividend disbursement which, prematurely adopted, might not be as dependable for the years to come. Stability in all respects including that of the direct return to Shareholders as well as the continued gradual strengthening of position for the future will appeal to all who take the long view, as being in the best interests of your Company.

Speaking for myself, personally, keeping these points in mind, and not forgetting about the clouds, to one or two of which I have referred, I believe the time has come when the Directors, you are about to select, will be fully justified in making a moderate additional dividend distribution to the shareholders of the Company during 1927.

I have much pleasure in moving, seconded by Mr. Somerville, the reception and adoption of the Annual Report.

The Vice-President, Mr. Somerville, in seconding the adoption of the Report, spoke as follows:—

Your Directors have a good deal of pride and satisfaction in presenting a Report and Financial Statement which shows a very fair increase in profits, and that our Assets now exceed the substantial sum of ten million dollars.

Although we were able to make a good increase in our Mortgage investments this was in the face of keen competition and declining rates, the latter being evidence to some extent of lessening demand for mortgage money, although increased supplies of money for mortgage investments was perhaps as great a factor.

The very remarkable growth of life insurance in Canada has placed, and is continuing to place large funds in the hands of the Canadian Life Insurance Companies which always seek to invest a proportion of these funds in first Mortgages on improved real estate. The steadily growing and well deserved appreciation by our public of the debentures of such first-class Mortgage Loaning Companies as our own is also augmenting the supply of money for Mortgage Loans. Our own currency debentures increased during the year by over three hundred thousand dollars.

In these ways the thrift of the Canadian people is in spite of the undoubted extravagances of much of our modern life, supplying at present throughout the Dominion all legitimate requirements for mortgage money and at moderate rates of interest, particularly in those wiser Provinces where little or no interference with the contract rights of first Mortgagees prevails. Thus the great service the Mortgage Companies for so long rendered in bringing in supplies of British Capital for the use of Canadian borrowers is for the present largely in abeyance.

As it happens interest rates in Great Britain continue to rule comparatively high, and the investor there has been obtaining a slightly larger yield on Government Securities and on those of the large and substantial British Municipalities than similar securities here are yielding. The result, as far as we are concerned, is that our Sterling debentures again show a slight decrease from the previous year's total. We regret that this should be, but we are happy in believing we remain strong in the confidence of our clientele in Great Britain and, when conditions warrant it, our valued Agents there will have no difficulty in increasing our supply of Sterling money.

As Mr. Smart has shown payments on our Mortgages have been exceptionally well met. This evidences the high character of our Mortgage investments.

With regard to the real estate held for sale, as a result of default in mortgages the amount is lower than last year. More properties were sold during the year than came on hand, and although on some of these losses were taken such losses had been previously amply provided for.

It is a normal state of affairs for any Mortgage Loaning Institution, operating over a wide territory and with any considerable total of mortgage loans, to be obliged to foreclose or bring to sale some mortgage securities from time to time. In periods of dull or falling real estate markets it takes time to dispose of such properties with the result that unless the items are for the time being written off altogether, Annual Reports must show among the Assets an amount for Real Estate held for sale. There can hardly be exceptions to this unless mortgages are carried longer in default than should be the case, or the value in such properties is sacrificed for hasty sale with consequent undue losses to the Institution and further depression of values in the localities affected.

I have already referred to the gratifying increase in our currency debentures. These debentures are a means by which every person who saves money can obtain on even small sums an investment rate of interest instead of merely a bank rate. The outstanding strength and stability of our Company is attracting a steadily increasing number of those who avail themselves of this opportunity.

The fact that this means of investment is always open and is kept constantly before the public through our advertising and may so easily and without formality be taken advantage of, has not only largely increased the interest income of many people but prevented the loss of much hard-earned money which would otherwise have been tempted into speculative and insecure investments.

I have much pleasure in seconding the adoption of the Report.

The Report was then adopted unanimously.

The Scrutineers were then appointed, and the election of Directors proceeded with, Messrs. A. M. Smart, C. R. Somerville, Colonel William M. Gartshore, J. M. Dillon, J. G. Richter and Arthur T. Little, being re-elected for the ensuing year.

It was moved by Mr. A. B. Greer, seconded by Mr. J. E. Jeffery, that Messrs. Frank G. Jewell, F.C.A., and A. G. Calder, C.A., be and are hereby elected Auditors of the Company.—Carried.

The meeting then adjourned, and at a meeting of the Board of Directors held subsequently, Mr. A. M. Smart was re-elected President, and Mr. C. R. Somerville Vice-President of the Company.

Colonial Loan Draws on Reserve for Dividends

Colonial Investment and Loan Company had a net loss of $4,268 in 1926, and drew on reserve again to the amount of $20,000 to pay the 6 per cent. dividend on the Permanent Preference stock.

Comparative figures follow:

Profit and Loss

	1926	1925	1924
Net reserve	x$4.268	$ 20,044	$ 31,441
Trans from res.	20,000	20,000	10,000
	$ 15,732	$ 40,044	$ 41,441
Dividends	19,419	37,581	37,578
	†$ 3,687	$ 2,463	$ 3,863
Prev. bal.	10,225	7,763	3,900
P. & L. bal.	$ 6,538	$ 10,226	$ 7,763

xNet loss.
†Debit.

During the year properties amounting to $143,723 reverted to the company and sales amounted to $20,497. Real estate has been written down by a transfer of $25,000 from general reserve and $9,000 from another source. Reserves now stand at $215,492. Real estate held for sale totals $252,301.

London Loan Profits Lower for Year 1926

Profits of London Loan and Savings Company of Canada, London, showed decline in 1926. After taxes, income was $53,655, not sufficient to meet the 7 per cent dividend which takes $62,410 annually.

Comparative figures follow:

Profit and Loss

	1926	1925	1924
Profits	$ 63,655	$ 76,611	$ 72,626
Tax reserve	10,000	10,000	......
	$ 53,655	$ 66,611	$ 72,626
Dividends	62,410	62,410	62,409
Reserve	......	......	10,000
	x$ 8,755	$ 4,201	$ 217
Prev. bal.	7,997	3,796	3,580
P. & L. bal.	x$ 758	$ 7,997	$ 3,797

xDebit.

Industrial Engineering Firm Enters Canadian Field

Lessons learned during the war of improved methods of industrial management, manufacturing and distribution have been carried on into peace-time operations, but there are many companies which have failed to appreciate the value of these changes and to remedy the situation, industrial engineering organizations have developed, equipped and manned to perform a worthwhile service to those industries which are not making the progress which their importance or necessity justifies.

An organization along these lines to operate in the Canadian field has been recently gotten together under the name of Canadian Industries. The president of the company is D. V. Stratton, who has been engaged in similar work in the United States for a number of years back. N. R. Sinclair is chairman of the advisory board and Geo. Nichol is secretary-treasurer. Later on it is planned to form an advisory board comprising men who are acknowledged leaders in their particular field.

In outlining the work which this organization proposes to perform for Canadian industries, Mr. Stratton said: "There are many manufacturing companies in Canada, which are only holding their own; in fact, many are operating at a loss. Where a number of these companies in the same field are struggling along, barely able to pay their way, we suggest consolidation. The best equipped plant will be utilized for manufacturing and the others closed. Products will be standardized, duplication of staff eliminated and sales and distribution forces combined under one management so that all overhead and production costs will be reduced to a minimum. In this way, the consumer will be given better service at less cost and the industry put on a healthy and profitable basis."

The company have connections through which needed capital may be secured either for present operations or for expansion.

Lindsay Issue Well Received

One very illuminating indication of continued activity in the Canadian money market is the rapidity with which the new issue of $400,000.00 Lindsay Industrial Alcohols, Ltd., 7 per cent. stock is being taken up.

The issue has met with favor throughout Ontario.

MONARCH KNITTING SHOWS PROFITS OF $32,651 FOR 1926

Company Has Long Way to go to Regain Former Position

The annual report of Monarch Knitting Co. shows net profits after depreciation of $32,651 in 1926, compared with $2.302 for 1925. As no dividends are being paid on the preferred, of which $750,000 is outstanding, the surplus is improved by just the amount of the profits. The surplus is now shown at $385,275.

While gross sales increased 9 per cent. over the previous year, and while the addition of modern equipment in the hosiery plant and a more aggressive sales and advertising campaign make the outlook more hopeful, comparison of the 1926 balance sheet with the balance sheet for 1925, shows that the company has a long distance to go before it is rehabilitated to its former position as a substantial earner.

There was an increase in current assets at the end of 1926, this item now standing at $1 437.581, compared with $1.334,505 the previous year. But at the same time current liabilities increased from $706.048 to $860,816. This has resulted in a net decrease of $51.692 in the working capital, the figures being $628,457 for 1925 and $576.765 for 1926.

Monarch Knitting owes its bankers $622,137, an increase from $493,000 at the end of 1925.

Further progress was made in the year in winding up the affairs of Monarch Knitting Co., Inc., the Buffalo venture of the company which resulted unfortunately. There is $25,672 remaining in the special reserve created several years ago to take care of this loss and the company's auditors state that the sum will probably be sufficient for the purpose.

Goodwill, contracts, trademarks, etc., are shown in the balance sheet as worth $995,905. This is no change over 1925.

Profit and Loss

	1926	1925	1924
Net profits	†$32,681	$ 2,302	$ 17,675
Less—			
Depreciation	......	$150,000	$ 70,000
Pref. divids.	......	4,375	52,500
	$ 32.681	x$152,073	x$104,825
Prev. bal.	352,594	504,667	609,492
P. & L. bal.	$385,275	$352,594	$504,667

xDeficit.
†After depreciation.

Canadian Woollens Will Not Adjust Arrears Yet

From Our Own Correspondent.

MONTREAL.—Canadian Woollens has benefited to some extent by the all-round improvement in Canadian business during the past year, but it is doubtful if the company will be able to achieve any real measure of success while competition with foreign woollen manufacturers is so keen. The woollen industry is presenting its case to the Tariff Board and if any effective measure of relief be provided, Canadian Woollens would stand to benefit very materially. In the meantime, there is an improved demand for the company's output and earnings are understood to be somewhat better.

The arrears of dividends on the preferred shares of this company amounted to 31½ per cent. at the end of December and rumors have been in circulation indicating that a proposal will eventually be laid before the preferred shareholders leading to the liquidation of the arrears. It has been suggested that the capital structure of the company might be changed and that no par value common stock would be issued which would in part be used to satisfy the dividend claims of the preferred shareholders. However, such rumors are absolutely without foundation, A. O. Dawson, president of the company, told The Financial Post. It seems apparent that the company will have to make a great deal more progress before the management even considers such a move.

Perth Mutual's Good Year

The 63rd annual meeting of the Perth Mutual Fire Insurance Co., held this week in Stratford, shows that the company experienced a very satisfactory year. The number of policies issued during the year increased by 995 and, after the necessary reserve provisions, the balance at the credit of profit and loss was $44,616. The company's total assets are $1,292,995, and the total amount of insurance carried at risk (less reinsurance) was $48,555,601. Owing to deaths during the year, it was necessary to elect three new directors to the board. These were J. H. Gordon, John A. Makins, and Dr. S. T. Rutherford.

Vickers Deal Affects "Bridge"?

From Our Own Correspondent.

MONTREAL.—Sale of Canadian Vickers to the Playfair interests has not been concluded nor has the property changed hands. The deal, however, is moving forward. Associated with James Playfair in the deal, are V. M. Drury, Frank M. Ross, James Richardson, Senator Donat Raymon, Senator J. M. Wilson and George Barr.

It was rumored this week that the Dominion Bridge Company would acquire the structural steel end of the Canadian Vickers' business. This appears extremely unlikely.

In fact, the transfer of the Canadian Vickers' plant to Canadian interests, seems to indicate increased competition for the Dominion Bridge. It will be recalled that at one time, the Canadian Vickers structural steel department was giving Dominion Bridge the keenest of competition. More recently, it was said that both companies, due to the improved business conditions, were making bids which allowed them a better profit on their undertakings.

One thing seems certain: should Dominion Bridge desire to acquire the structural steel end of Vickers' business, the new interests, if and when they acquire the property, will ask a decidedly handsome price for that department of the property.

Canadian Vickers was a wholly-owned subsidiary of the big British firm and since the war, has been experiencing hard times. No doubt, the new group behind the negotiations will be able to acquire the plant at a low figure and, as they are exceptionally strong financially, there seems to be little doubt that they can make a success of their new undertaking.

Port Alfred Installing Large New Equipment

From Our Own Correspondent.

MONTREAL.—The Port Alfred Pulp and Paper Corporation is making good progress with the installation of its new wood handling plant; the new equipment will be ready to take the pulpwood when the ice moves out of the Saguenay river.

The equipment is of a new design and is capable of handling as much as 130 cords of wood per hour. The overhead conveying suspension bridge which carries the wood to the pile is 1,400 feet in length and will permit the company to store some 200,000 cords during the summer for use in the winter months. This means that Port Alfred will be able to handle its entire wood requirements during the warmer months.

It can be seen that expansion of Port Alfred to a capacity of 450 tons of newsprint and 100 tons of sulphite pulp daily brought about the need of increased wood handling facilities.

The new equipment has been installed under the supervision of H. S. Taylor, the consulting engineer who acted for Port Alfred in its mill expansion programme just concluded. The order for the new equipment went to the firm of William Hamilton, Limited.

Mistassini—New Town for Northern Quebec

Power developments in the Lake St. John district of Northern Quebec have already resulted in the establishment of a town by name of Arvida. In a very short time, a charter will be given to another town in the same district, to be known as Mistassini, where the plant of the Lake St. John Power and Paper Co. is now being erected.

The new town is being laid out on modern lines and while building operations at present are being confined to a few necessary buildings for the accommodation of men already at work on the mill, it is proposed eventually to provide accommodation for 4,000 to 5,000 people.

The site of the new community is on a sandy plateau, about twenty miles from Lake St. John. Modern streets are being laid; water system and sewerage equipment installed. An hotel of 42 rooms will soon be ready for occupancy, while a hospital with all modern appliances and accommodation for twelve patients will also be in operation before very long. Workmen's houses are in course of erection, which will be further supplemented when mill operations commence. Stores and other buildings will be put up from time to time as necessary.

Railway accommodation will be provided some time during the coming summer.

Attends Sun Meeting

At the recent Sun Life annual meeting, held in Montreal, among those attending was Thomas Workman, of Ottawa, nephew and namesake of the first president of the Sun Life. Mr. Workman has been a stockholder for a great many years and a policyholder since 1872. He attended his first annual meeting—the 56th of the company.

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TORONTO, FEBRUARY 11, 1927

CANADIAN INSURANCE

WITH the best intentions in the world, legislators often create astoundingly unsatisfactory conditions. Apparently, some of the early framers of insurance legislation in Canada were afraid that it would weaken the security of holders of fire insurance policies if fire insurance companies were permitted to invest their funds in the shares of other fire insurance companies. It was decreed that the companies should not do so and legislation to this effect exists upon the statute books of the country.

The result has been the creation of a condition of affairs that can not be regarded with equanimity by those who feel some pride in the development of purely Canadian institutions. The smaller Canadian fire insurance companies, as they have become established, have been gobbled up by the dozen by large British and American fire insurance companies, who have not been denied by the laws of their countries from investing their reserves in the shares of other fire insurance companies.

There are nominally 43 Canadian fire insurance companies doing business under Dominion government supervision. They carry 13 per cent. of the total fire insurance of the country, excluding the small proportion carried by provincially licensed companies. But actually such a large proportion of these 43 Canadian companies are controlled abroad that only one twenty-fifth of the fire insurance of the Dominion is being carried by purely Canadian companies, controlled in Canada. A total of 96 per cent. is carried by British, American and other foreign companies.

This is hardly a satisfactory result of a well meant provision in the law.

Experience has shown that shares of other fire insurance companies are satisfactory investments for large companies able to divert a modest proportion of their assets to this type of investment. It enables centralization of control of companies with diversification of risks and is an immense factor in reducing acquisition costs and expenses generally.

A change in the law to permit Canadian fire insurance companies the privilege now enjoyed by other companies, would undoubtedly have a tendency to check the movement that has led to almost complete outside domination of fire insurance in Canada. It would enable Canadian fire insurance groups to consolidate their position in Canada and to unite the forces of various small companies without the awkward and usually impractical method of forming holding companies to bring several companies under one control.

Of course, adequate safeguards would have to be provided, but suggestions along this line have been made by G. D. Finlayson, Dominion superintendent of insurance, and his plea that the law be changed to permit the Canadian companies to acquire control of smaller companies deserves early attention from the Dominion government.

A PLEA FOR HERO-WORSHIP

CANADIANS are not hero-worshippers. The names of men who have made Canada what it is to-day are not held in as high reverence and esteem as would be justified by a former sense of gratitude and honor. Baldwin, Lafontaine, Simcoe, Howe, Macdonald and Laurier, do not mean to Canadians what Washington, Lincoln, Grant, Hamilton and Franklin mean to Americans.

Reasons for our indifference to records of achievement are not entirely lacking. One is the necessity of dividing such small time as the students in our schools have for the study of history between Canadian and British history, with samplings of French and United States history. Emphasis has been upon Cromwell, William III, Pitt, Nelson and Wellington, rather than upon our own statesmen. Another reason is, perhaps, our feeling that Americans have over-done the adulation of names, causing us to lean backwards.

The history of a people should be one of the treasures of its thought. That thought should find time for such reflection upon the work of those who have gone before as will give us a proper respect and admiration for their work.

Equally, we are lacking in a proper feeling of gratitude towards our public men of to-day. We do not all sneer or defame, though most of us 'hint a fault" even when we "hesitate dislike." Our national habit of lampooning every man who enters public life not only prevents us from enjoying the inspiration of hero worship, but it makes it more difficult for us to continue to conscript the highest type of men.

Obsequiousness, we do not want; but a proper appreciation of public service we do need.

THE REAL CALAMITY

IN AN expansive country with a modest population—and such is Canada—transportation is a problem of infinite significance. The cost of such transportation is a most important factor in determining the nation's rate of progress. This being true, it is not surprising that citizens of Canada should be unusually fretful concerning railway freight rates.

Each province in Canada is suspicious of every other province and tries to get the most for itself in rate discriminations. Each industry or group of producers asks advantages, at whose expense it cares not.

No one protests against the practice of presenting to the Railway Board briefs and proposals for higher rates, or lower rates, or changed rates of any character. This is natural and correct. The Board exists to hear opposing arguments and to effect, not compromises, but fair rate structures that will assist Canada's growth while compensating the carriers. But the board does not exist to be made the loud-speaker for sectional selfishness and greed, nor a broadcasting station for political oratory. Most of the arguments that have been presented during the current hearings on freight rates equalization have been manifestly so narrow in their claims, so obviously looking after number one, as to disgust those who view our economic problems from a national vantage point. There have even been appeals to the cabinet before the board has brought down judgment; fairly obvious attempts to bull-doze the railway board.

Putting freight rates up or marking them down would not be the real calamity in the equalization hearings. Damage to Canada can not be done by the board more serious than that now being worked by some of those who are appearing before it. Their arguments and methods are arousing prejudice that will undermine public confidence in our system of railway rate control, admittedly one of the best and fairest in the world.

It will be best in the end if the dignity of the Railway Board is maintained and if arguments are presented to the board for the information and enlightenment of the commissioners and not to inflame the public mind for purely local political advantages.

RHODES ON "SUBSIDY"

AN ESTIMATE by a sub-committee of the Dominion cabinet studying the Duncan report is to the effect, (according to gossip heard at Ottawa) that it will cost Canada $3 100,000 a year to grant the Maritimes the freight rates suggested by the Duncan report. Of this amount $2,500,000 would be in the form of a bonus to the C.N.R. to reimburse them for freight rate reductions and $600,000 to the C.P R. for similar purpose.

On the other hand, Premier Edgar N. Rhodes, of Nova Scotia, does not agree that the new rates are to be considered as a railway rate subsidy to the Maritime provinces. Rather he claims that the Dominion government should merely "reassume obligations which were borne by the whole of Canada before 1912." He points out in a public statement that the Duncan commission emphasized that railway rates had been unduly increased in the Maritimes, beyond what could be considered fair, and recommended that the increase in Maritime freight rates above the degree of increase in the country as a whole should be borne by the Dominion generally.

Premier Rhodes wants it clearly understood that any payments made by the rest of Canada to meet the increase in freight charges would be merely an assumption of the Dominion's obligation to pay the extra cost of operating the cork-screw Intercolonial Mr. Rhodes says:

"The Duncan Commission in recommending these specified reductions in freight rates has only sought to reinstate the relative position of the Maritimes to the 1912 basis, and in doing so assesses the amount of these reductions against the Dominion Government as the cost of maintenance and operation of this excess mileage, non-essential commercially, and as its obligation in maintaining and operating the military, strategic and political features in the construction of the Intercolonial Railway.

"There is not one suggestion in the whole of the Report that the rates as recommended will result in any loss to the Canadian National Railway excepting in the matter of gross receipts.

"There is not one sentence of evidence produced by the railway officials that the rates as recommended by the Duncan report will be in themselves unprofitable rates to the Canadian National Railway system."

EDISON AT EIGHTY

TO Thomas Edison on his eightieth birthday the world pays homage that is usually reserved for men two generations in their grave. Call him scientist, mechanical genius or wizard, and you still fail to find a tag that would indicate to a visitor from another planet the place Edison holds in our world to-day.

He has given the world—or helped to give the world, the distinction being of small importance — a large share of the marvels of the age; the phonograph, the electric light, the telephone, the moving picture, the storage battery and multiple telegraphy.

Edison was fortunate in his time of living. Had he been a "pure scientist," delving into the mysteries of the infinite and the abstract, he would have won less honor. But loving to tinker with the practical finished product, his genius attuned itself to the era, an era of tremendous mechanical achievement, and thus he became scientist, inventor and manufacturer in one.

Canada is proud that some of the foundation of the career of the world's most remarkable man was laid in this country. It provides inspiration for Canadian youth.

There are grown men to-day who will tell you that one of the assets of their boyhood days was a reading of the life of "Tom" Edison. Edison is both of yesterday and to day and more than all he is a gift to the future.

AMONG THE GREATEST

SOME of our friends to the South are boasting that the National City Bank of New York, since its recent capital expansion, is now the biggest in the world. Arthur Brisbane, the editorial writer, first made the assertion. The Wall Street Journal, with a more exclusive circulation, is busy making the correction.

Any one of the five large British banks is larger than the largest American bank with respect to deposits and, with one exception, all are greater in total assets.

In this connection, Canadians do not need to be diffident, although Canada is so very much smaller than the United States in population and wealth. Only two of the American banks—the National City and Chase National—can boast greater assets than the Bank of Montreal or the Royal Bank of Canada.

The difference in the banking systems accounts for the relatively greater size and importance of Canadian banks, as compared with American banks. And despite the criticisms which are frequently heard with respect to Canadian banking, Canadians for the most part like their system when they dispassionately compare it with the system prevailing in the United States.

FLORIDA OF CANADA

BRITISH COLUMBIA, already the Florida of Canada in climate and attractions as a winter play-ground, has taken a further step to strengthen its claim to the title. It is greatly reducing its succession duty charges, in an attempt to encourage men of wealth to retire to British Columbia as they give up active work. Florida, it will be recalled, entirely abolished state inheritance taxes with a similar motive, and found the move of substantial benefit in attracting capital and new residents.

British Columbia is reducing all death taxes one-third. It is raising exemptions. It is exempting insurance up to $50,000 when payable to a near relative. In addition, it is taking a further forward step in eliminating the double taxation that has been a serious bar to the recruiting of new capital. Whenever succession duties have been properly paid in any other province of Canada, the same property will not be taxed in the coast province.

All these changes are bound to serve their avowed purpose of making British Columbia an attractive place for wealthy men to live. The $400,000 annual loss in revenue that is anticipated is virtually certain to be more than made up by the increased prosperity of the province from a larger number of citizens and a larger amount of capital within its borders. In time, it would not be surprising, if the lower rates produced even larger income than at present received.

IN PRAISE OF BABBITT

ACROSS the line, they are experiencing a reaction from "Babbitt-baiting." Under the leadership of the Nation's Business, of Washington, a "Dare to be a Babbitt" campaign is spreading its influence across the land and the luncheon-club Christians among American business men are coming into their own.

John G. Lonsdale, president of a big St. Louis bank, challenges his fellow business men to carry on and flout their Lewisian and Menckenian foes. He says:

"This Babbitt-like eagerness to join hands, eat lunches and exchange viewpoints is the most typical characteristic of our progress, coupled with a wholesome, unashamed profession of belief in a Divine Providence.

"However hurried or tinselled the future may be, we should not stray far from these simpler forms of our past greatness. May it never be out of fashion to be from a small town, belong to a Chamber of Commerce for common good, and believe in God. The rest will take care of itself."

Canada has its Babbitts—scores of them. They are fine fellows, all of them productive workers, sincere, honest citizens, and, at least, just as valuable in nation-building as literary purists, pink or red socialists and lazy iconoclasts. The Babbitt baiters have only served to emphasize the useful qualities of their subjects. Hail, Babbitt!

Canadian Farmers Aim at World Pool

Objective Reaches Beyond Co-operative Marketing of Canadian Wheat Only—They Seek to Unite Farmers of World to Control Wheat Prices

By CHARLES HAYDEN.

As a result of the initiative of Canadian farmers in establishing a wheat pool, an international pool may result, with Canadian, American and Argentine farmers forming the membership on this continent. Preliminaries to the organization of a gigantic farmers' business group, which will be the largest and most influential commercial body in the world, have been under advisement for nearly a year and the plan will be advanced further at the international wheat growers' conference that will be held in Kansas City, Missouri, in May.

Canada will send delegates who will represent the Canadian Wheat Pool, composed of the Alberta, Saskatchewan and Manitoba pools, and the Ontario Grain Pool, which was organized recently. British Columbia farmers are joining the Alberta pool.

Organize World Wheat Pool

Spade work in connection with the formation of the World Wheat Pool has been done by officials of the Alberta Wheat Pool. H. W. Wood, president of this pool and also president of the United Farmers of Alberta, who control the government of this province, spent several months in Australia and the Orient last summer. His mission to the Antipodes was designed to educate the farmers of that country into the advantages of a wheat pool of their own which would in turn be hooked up with a world pool. His visit to China and Japan was for the purpose of ascertaining the possibilities of those countries as consumers of wheat and wheat products. It is intimated that both missions produced satisfactory results.

China will not be an importer until its present troubles are settled but the prospects are that when this happy condition obtains, the Chinese, like the Japanese, will import more substantial foods to the limit of their financial ability. Japan is proving to be an increasingly valuable importer of Canadian foodstuffs, year by year. One of the reasons is that the governing authorities in Japan are keenly desirous of developing a taller, sturdier and more heavily boned race. Hence the importing of meats and wheat foodstuffs is encouraged.

Ships By Pacific Ports

The Alberta Wheat Pool favors the Pacific coast ports as outlets for its grain. This partly accounts for its interest in trade with the Orient. It has a big elevator at Prince Rupert, British Columbia, is negotiating for another at Vancouver and is considering proposals made by Seattle shipping men involving shipments from that port. At this point, it may be observed that the pool lacks sentimentality when it comes to marketing grain. It is doing business, so far as it is able, strictly on a scientific basis —buying in the lowest and selling in the highest market.

In Canada, the wheat pool is already highly organized and now embraces in its contracts, the bulk of the wheat acreage in the three prairie provinces. It has interested Australia and had an emissary, W. J. Jackman, a director of the Alberta pool, in the Argentine all last summer on an errand similar to that of Mr. Wood in Australia. Since that time it has furnished information to Poland, where a start on a pool has been made.

Aims to Influence World Prices

Ultimately, so H. W. Wood has publicly declared, the pool will seek to spread its ramifications throughout every wheat exporting country in the world for the express purpose of enabling the farmers to have an influence over the price at which they sell their product, a condition which he claims has not yet existed but which is the avowed objective to which he, pioneer in the movement, is striving.

He has even gone so far as to state in public that the farmers' organization will use "force" to achieve their end, if this becomes necessary. Meanwhile, however, they will employ persuasive methods.

The whole question will be threshed out at the Kansas City conference at which will be present not only delegates from the United States and Canada, but also representatives from Europe, South America and Australia.

Opposition to the pool movement has developed on a definite and powerful scale in Western Canada. The North West Grain Dealers' Association has embarked on a comprehensive campaign to show up what they consider weaknesses in the pool. This association is composed of grain dealers whose business will be destroyed if the pool continues to expand. This year, re-signing of contracts entered into by members of the pools when these were organized in 1923, will be sought. The grain dealers' association is doing its utmost, by means of widely distributed literature, to show that the pools have not been of real benefit to the farmers. The pool, on the other hand, has organized a publicity bureau, operated by former newspapermen, to offset the activities of the association. A lively war of words is already in progress and it may easily assume a more bitter and vindictive form.

So far the pool's star is, it is perhaps fair to state, in the ascendant. It is buying or otherwise acquiring interior elevators; it is getting control of seaport elevators and it has more than eighty selling agencies in various wheat marketing centres throughout the world. It has secured, by means of lavish salaries, some of the most expert grain marketing men in Canada, thus following the advice of Aaron Sapiro, the American missionary responsible for the organizing of the Canadian wheat pools, and it is persistently and competently extending the scope of its marketing functions.

Why?

H. W. Wood put it in this way in the course of the address in which he used the word "force" for the first time in his long career as leader of the farmers' movement:

"As producers we (the farmers) are efficient; as vendors of our products, we are absolutely inefficient. We seek to become efficient in the marketing department."

This is the farmers' problem and the farmers' objective in tabloid.

POST-Scripts

WHAT joy it is for the public that the newspapers do not report parliamentary proceedings as do the official journals of the legislative assemblies and the federal parliament. Ontario's new legislature met the other day. There was a great to do. If the desk editor of a bright daily were to write a headline to cover some of the events reported in the journal, it would read something like this:

King's Lieutenant Retires in Huff

Tells House to Call Him When They Have Elected Speaker

TAKE NO CHANCES

Read Lieutenant-Governor's Speech Over Again to See That He Had Read It Right

This is the way the story starts: "And the House having met, His Honor, the Lieutenant Governor, having entered the house, took his seat upon the throne." Apparently he left in disgust as soon as he was seated for it is reported in the official journals that Mr. Goldie the provincial secretary rose and said on his behalf:

"I am commanded by His Honor the Lieutenant-Governor to state that he does not see fit to declare the causes of the summoning of the present Legislature of this Province until a Speaker shall have been chosen according to law."

"His Honour was then pleased to retire." The members elected their speaker and back came the lieutenant governor, to be told by the newly elected speaker,

"The Legislative Assembly have elected me as their Speaker, though I am but little able to fulfil the important duties thus assigned me.

"If, in the performance of those duties I should at any time fall into error, I pray that the fault may be imputed to me and not to the Assembly whose Servant I am, and who, through me, the better to enable them to discharge their duty to their King and country, hereby claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to your person at all seasonable times, and that their proceedings may receive from you the most favorable consideration."

The lieutenant governor was evidently too full for words, on hearing this gracious bit of sentiment, for it is recorded that the provincial secretary replied on his behalf. The provincial secretary knew his onions! There freely rolled from his lips these sonorous cadences:

"I am commanded by His Honor, the Lieutenant-Governor, to declare to you that he freely confides in the duty and attachment of the Assembly to His Majesty's person and Government, and not doubting that the proceedings will be conducted with wisdom, temper and prudence, he grants, and upon all occasions will recognize and allow, the constitutional privileges.

"I am commanded also to assure you that the Assembly shall have ready access to His Honor upon all suitable occasions, and that their proceedings, as well as your words and actions, will constantly receive from him the most favorable construction."

The lieutenant governor then read his speech from the throne and was again "pleased to retire." No doubt he was by this time pleased to get out.

But the speaker was not taking any chances for we read:

"Mr. Speaker then reported.

"That, to prevent mistakes, he had obtained a copy of His Honor's speech, which he read."

By this time the house was in session. After such a round of formality, the prime minister started the machinery of law-making in motion by introducing a bill "intituled 'An Act Respecting the Administration of Oaths of Office to Persons Appointed as Justices of the Peace.'"

Hartland Electric to Issue Bonds

Permission was granted the Hartland Electric Company, by the New Brunswick Public Utilities Commission, to make an issue of bonds for $6,500 to cover the cost of distribution system in Hartland.

FOLKS and Finance

BIG business demands big men and in John Stadler, the newly appointed director and general manager of the Lake St. John Power and Paper Co., are to be found both qualities of "bigness"—experience and a height of six feet and four inches.

Born in Belgium some fifty years ago, Mr. Stadler has had most of his training in Canada and is considered one of the outstanding men in this industry. He was for many years the chief engineer and superintendent of Belgo Paper Corporation and was responsible for all the design and operation of the Belgo plant. Within the last year or two, he designed and constructed the Anglo-Newfoundland Paper Co.'s plant at Corner Brook, and superintended the operations of the mill until paper was produced at the price he originally named in his survey of the situation.

In addition, Mr. Stadler has, on many occasions, reported on various paper companies for financial and paper trade interests and is well known as a consulting engineer in such capacity.

BACK of any industrial undertaking, must be the man and back of the man years of experience. Although not well-known to the Canadian investing public, E. A. Wallberg, president of the newly formed Lake St. John Power and Paper Company, brings to his new sphere of activity a record of successful financing and management of industrial organizations in Ontario and Quebec, extending over a period of many years.

Mr. Wallberg is a graduate of civil engineering from the Iowa State University, and, in addition, supplemented this training by a post-graduate course at the Massachusetts Institute of Technology. Subsequent to that time he engaged in private engineering practice in Montreal for a period of five years; after that he began a general contracting business in the same city, during which time he developed several power propositions in Northern Ontario and Quebec. For a number of years he has owned the Leaside Engineering Company, and this concern did a large munitions business during the war, since when he has been engaged in producing wire and cable insulated materials.

His connection with Lake St. John Power brings prominently before the public a man whose name — usually mispelled — has been bobbing up in press dispatches ever since the Mistassini Power and Paper Company was formed. The name has now been changed.

Wallberg will build a model town for his plant, in the heart of the country made famous by Louis Hemon through "Maria Chapdelaine." Imagine, if you can, "Maria Chapdelaine" in a modern town!

Duke-Price Expands

MONTREAL.—The new transmission line between the Duke-Price Power Company's plant and the mill site of the Lake St. John Power and Paper Company will be completed fairly shortly. The mill site is located on the Mistassini River, seventeen miles north of Lake St. John. When operating at the close of the year, the new paper mill should utilize about 22,000 horsepower from the Duke-Price plant.

Government Municipal and Corporation Securities

Are You Getting the Most from Your Investments?

Investment consultation by telephone or letter.

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

FLOOD, BARNES & CO.
LIMITED
Investment Bankers

INSURANCE EXCHANGE BUILDING
145 Notre Dame St. West
MONTREAL

Security Review Profitable

A careful review of one's investments at this time of year, is more than usually opportune. Such a review almost invariably results in discovering some profitable exchange, sale, adjustment or possibility of new investment. Then, too, accumulating fund for new investment may be available from:

1. Incoming funds from sale of property.
2. Money now drawing a low rate of interest.
3. Bond or mortgage interest.
4. Bank interest.
5. Stock dividends.
6. Early maturing bonds, etc.

Such funds may be safely and profitably employed and adjustments and exchanges made, at present, to excellent advantage.

We shall be glad to make suggestions as to the betterment of investment lists or to consult with those having investment problems.

A. E. AMES & CO.
LIMITED

Investment Securities

53 KING STREET WEST TORONTO
TRANSPORTATION BLDG., MONTREAL
BELMONT HOUSE, VICTORIA, B. C.
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11 WALL STREET - NEW YORK
GRESHAM HOUSE, OLD BROAD ST.
LONDON, E.C.2, ENG.

Business Established 1889

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

International Pete

Would you kindly advise me what you think of International Petroleum stock?

International Petroleum is a subsidiary of Imperial Oil, Limited. It is highly regarded as a business man's speculative investment.

Wayagamack Bonds

I bought some Wayagamack bonds at 76. Should I still hold them?

Yes, why not? The profit which you have already obtained on your investment indicates the satisfactory security behind the issue.

Famous Players

What think you of the first preference shares of Famous Players?

The first preference of Famous Players look like a business man's buy. The company is the "movie trust" in Canada. Over the next four or five years, we believe it should do well.

Goodyear Tire Pref.

We should be glad to have your opinion on Goodyear Tire preferred stock, 7 per cent., as a farmer's investment.

The Goodyear Tire and Rubber Co. of Canada is doing excellently and investment in the preferred stock should be good for a business man or a farmer.

Howard Smith

Would the preferred shares of Howard Smith make a satisfactory purchase for me?

The preferred stock of Howard Smith looks like a satisfactory purchase. You would obtain a good yield and we understand that the company's earnings are steadily increasing and that it is steadily working itself into a better position.

Gotfredson

I have purchased Gotfredson Truck, common, at 25. It is now offered at 22. Do you think it would be wise for me to hold this stock or get out and take a loss?

You should not worry because Gotfredson Truck common is selling at three points below the price at which you bought it. The company is progressing and you reasonably could expect appreciation in the value of your investment.

Mutual Finance

Would you please let us have your opinion of Mutual Finance Corporation, Limited, Windsor?

The Mutual Finance Corporation, Windsor, under its present management has shown increasing profit over several years. There is no reason to assume that profits will not be continued so long as the management and policy do not change. The company operates in a growing community.

Asbestos Corporation

Are the preferred shares of the Asbestos Corporation a satisfactory issue in their class? I am considering purchasing some of the stock.

We believe that the common shares of the Asbestos Corporation will appreciate over a term of years, and therefore, we naturally also believe that the 7 per cent. preferred is a satisfactory purchase in its class—but you must remember that the preferred stock is non-cumulative.

B. C. Pulp and Paper

I hold some of the preferred and common shares of the B.C. Pulp and Paper Company. What do you think of the outlook for this concern?

As you are aware, the B. C. Pulp and Paper Company has just met its preferred dividends, in full, to date. In view of the present satisfactory situation surrounding the sulphite pulp producers, we believe that you would be well advised to hold this stock.

Canadian General Securities

I would like the greatest interest return consistent with safety. Would you advise putting $1,000 or $2,000 into Canadian General Securities investment trust?

We do not think you could do better with a part of your capital than to invest in Canadian General Securities. They can secure a better diversification than can the individual investor and we cannot see other than that your principal would be reasonably safe.

International Power

When it was first issued I bought some of the stock of the International Power Company. How do you think this company will do?

You have a satisfactory profit on your International Power holdings. While the earnings of this company are derived in a great measure from public utilities operated in Central and Southern American republics, yet the diversification of the company's holdings insures a stabilization of earnings. We believe that this stock should work out satisfactorily for you.

Commonwealth Life

We shall feel obliged if you can furnish us with some information regarding the Commonwealth Life Insurance Co., which, we understand, is a young concern of some four years.

The Commonwealth Life Assurance Co. is a company which has been in operation in Hamilton for two or three years. Its board of directors is composed of men of some standing in the community. The company is on a strict actuarial basis and is not attempting to grow too rapidly.

We believe it has a reasonable chance of success.

St. Maurice—K. E. H.

I would like to have your advice in regard to the following: Should I sell $1,000 preferred of St. Maurice Valley Pulp & Paper in order to buy King Edward Hotel Debenture A?

There does not seem any good reason for the switch proposed. Looking ahead five years or more, the pulp and paper industry appears as attractive as the hotel business in Toronto and the record of the industries now in the St. Maurice Valley Corporation is decidedly one of more continuous and unvarying success than the record of the King Edward Hotel.

Automotive Credit

Will you kindly give me some information regarding the bonds of Automotive Credit Corporation?

The Automotive Credit Corp. is a company which finances time purchases on automobiles. They sold bonds bearing 6½ per cent. with a participating feature to the public rather than preferred stock. The corporate stock is held by the company officers.

The president and vice-president of the company are dealers and distributors of automobiles and through them the company gets a substantial portion of its business. They claim to be operating at a profit, but have published no balance sheet. Bonds outstanding amount to $310,000.

Canadian Locomotive

Please inform me if Can. Locomotive pfd. and common advanced in the past two years. Is the company in a stronger position? Is the stock good for a long pull?

Canadian Locomotive common advanced from 35 to 42 between Jan. 1, 1926 and Feb. 1, 1927. The preferred of the same company advanced from 73 to 89.

Canadian Locomotive Co. manufactures steam and electric locomotives and mining machinery. Their positon is steadily improving because the Canadian railways are beginning again to place orders for equipment, while the mining industry is month by month becoming more important in Canadian affairs. Generally, the outlook is more satisfactory than it has been for a number of years.

Kelvinator and Ice-O-Matic

I would appreciate your opinion of Kelvinator and Ice-O-Matic preferred and common stock. How do Ice-O-Matic chances compare with Kelvinator?

Kelvinator Co. of Canada has the backing of Kelvinator of the United States. There is reason to believe that electric refrigeration will win the goodwill of the public and we think that in the inevitable elimination of many companies entering this new field, Kelvinator, with its longer experience and greater backing, has a good chance to survive.

Ice-O-Matic is a purely Canadian company with some good men in it and with a smaller capitalization than Kelvinator. It is claimed also that the gas used in Ice-O-Matic Refrigerators is superior to gas used in some of the other electric refrigerators. This question, of course, is one which only a highly trained man could decide. In our opinion, Ice-O-Matic at this stage is more of a speculation than Kelvinator.

King Edward Hotel

Would you kindly advise me as to what you think of King Edward Hotel Co. 7 per cent. bonds, due 1944, and King Edward Hotel mortgage debentures 8 per cent. stock A for investment? Are they considered safe? I have been advised by a friend to put $1,000 in each, but do not want to go into anything without it being reasonably secure.

I understand they are both guaranteed by the United Hotels Co. of America.

The 7 per cent. mortgage bonds of the King Edward Hotel Company are subject to a prior mortgage of $2,500,000 held by the Metropolitan Life Insurance Co., of New York. Senior to the series A debenture shares are the Metropolitan mortgage, the $1,000,000 outstanding series A bonds, and the $50,000 series B bonds. The United Hotel Company, which owns 51 per cent. of the common stock of the King Edward, guarantees the interest only of the bonds and series A debenture shares. Subject to the Metropolitan mortgage the series A bonds are secured by a direct lien upon the entire fixed assets of the hotel company and also secured by a first lien on the furniture of the hotel. The series A debenture shares are secured by a fixed mortgage on the land and premises of the company and all the real property and also by a floating charge on all its assets, including equipment and stock, subject to the mortgage of the Metropolitan Life Insurance Co., and to the issue of refunding sinking fund bonds.

The hotel property is earning interest on all its bonds and debenture shares and something on the common stock. No dividend, it is said, will be paid on the common this year, which means that the surplus will go into reserve. The immediate future of the company appears bright, but of course no one can say definitely what the situation will be when one or more other first class hotels are built in Toronto. The investment should be classed as moderately reasonable for a business man, assuming that the principle of the diversification is not overlooked.

Brazilian, etc.

Could you give me the names of a few sound bonds and preferred stocks? Also what do you think of Brazilian for a long pull?

I have $8,000 or $10,000 for investment.

Brazilian Traction for a long pull has its merits.

We would suggest that you write reputable bond houses, most of whom are advertisers in The Financial Post asking for a list of reliable securities.

Five or ten shares preferred in any or all of the following companies would be a reasonable investment: Massey Harris, preferred, City Dairy preferred, Consumers Gas, Winnipeg Electric preferred, Penman's, or Robert Simpson Company. Good bonds which yield fair returns are the following: Canada Steamship Lines 6's, Montreal Tramway 5's, Canadian Canners 6's, Wayagamack 6's, P. Burns 6½'s, Canada Biscuit 6½'s, Page Hersey 6½'s.

Canadian Royalties

Would be obliged if you would give me a report on standing of the Canadian Royalties, Ltd., who are selling what is known as the Stewart Stationery Vending machine.

Canadian Royalties Limited, 12 Wellington Street, East, Toronto, are selling Stewart Stationery Vending Machines for $75 each. The buyers of the machines in turn lease them back to Canadian Royalties. Canadian Royalties agree to place the machines where the public can use them. For five cents a stamp and envelope and two sheets of writing paper are supplied. At the end of 18 years the company agree to buy back the machines at the purchase price.

Receipts from all the machines are to be pooled so that each owner would get a fair distribution of whatever profits there might be.

The objection to this proposal from an investment viewpoint is that it is experimental and therefore highly speculative. There are many common stocks of growing industrial companies now selling at low prices, which would give the investor a better chance for his money in our opinion.

This cannot be recommended as an investment nor even as an attractive speculation. It's a gamble, pure and simple.

Insurance Dividends

1. Which is the best company of the following to insure with: The Great West, Mutual, Sun Life, Confederation, Metropolitan?

2. Which pays the most profits on the twenty payment life plan?

We do not care to select from the insurance companies you mention any one that could be called the best company to insure with. All are licensed under Dominion laws; are financially sound and thoroughly able to look after any obligations they assume.

Nor is it possible to state which company is likely to pay the highest dividends during the duration of any policy taken out at the present time. This will depend upon respective interest earnings, mortality experience, expense ratio and company policies generally.

During 1925 the companies paid dividends as follows on twenty payment life policies of virtually similar character; all of the policies were taken in 1915 by a party 25 years of age at that time.

Company	Premium	Quinquennial dividend on policy in force 10 years
Confederation	$30.00	$26.00
Great West	28.50	37.05
Metropolitan	26.29	*3.98
Mutual	29.80	39.74
Sun	30.70	38.75

*Annual dividends on policy issued in 1915.

But premium rates and dividend rates have changed since these typical policies were taken out and will continue to change.

Wants Safety

I should be glad if you will suggest some investments to me that you consider will be absolutely secure, and would pay a reasonably fair return. Some of the banks give a fair return, only drawback being the double liability clause, but I suppose this might be eliminated in the case of such banks as Royal, Nova Scotia, Commerce and Montreal. The latter gives a rather low return though. What I want is about the highest return I can get with absolute safety, so that I have not to be watching them.

Existing Canadian banks are sufficiently well established that shareholders have little reason to worry over the double liability clause, if they take the reasonable precaution not to put their entire capital or a large proportion of their capital into bank stocks.

There are a number of other Canadian stocks which yield a fair return and which have a high degree of safety. Among these might be mentioned Dominion Radiator now selling at a price to yield 6.93 per cent.; Page - Hersey preferred, selling to yield 6 per cent.; Steel of Canada preferred, selling to yield 5.34 per cent. and with a participating feature: City Dairy preferred selling to yield 6.08 per cent.; Olgilvie Flour preferred, selling to yield 5.73 per cent.; Bell Telephone, selling to yield 5.71 per cent.; Canadian Pacific, selling to yield about 5.75 per cent.; Canada Cement preferred, selling to yield 5.85 per cent.; Tuckett Tobacco yielding 6.66 per cent.; and Port Hope Sanitary preferred, 6.66 per cent.

These are Canadian utilities and industrial companies which are growing and will continue to grow with the country, assuming, of course, that their present conservative managerial policy remains unchanged.

L. R. Steel Trust

Would you be good enough to give me some information on the L. R. Steel Stockholders' Protective Trust, 7 per cent. preferred?

The men managing the Steel stores are striving patiently to make the business pay. They are hampered seriously by lack of working capital and by the fact that the capitalization, even though scaled down from its original proportions, is not in line with the number of stores operated or the gross sales. This condition will not be corrected probably until additional stores are opened and a larger volume of business transacted, which hardly can happen unless working capital is acquired by other than a new issue of stock. Some progress is being made by the issuance of mortgage bonds to refund mortgages on various properties. If this issue can be floated successfully, the company will have more working capital although its equity in some of the properties concerned will be reduced somewhat, but not dangerously.

Interest on the money deposited by members of the protective trust is in arrears two years. We know of no market for the trust certificates and suggest that owners thereof may lose less by hanging on than by attempting to sell out at this time.

International Paper

I should particularly appreciate any information which you can furnish me regarding the Canadian International Paper Company and its relation with the parent concern, the International Paper. Does the latter own the bulk of the stock of the Canadian company?

I am the holder of a few shares of the U.S. company and therefore I am interested in obtaining some information regarding the relation between the two companies. When was the Canadian International formed?

I should also appreciate your opinion as to the desirability of holding my International Paper shares which were purchased at a price a little in excess of the prevailing level.

The International Paper Company owns outright several subsidiaries in Canada including the Canadian International Paper Company, the Gatineau Power Company and the Riordon Corporation. However, as far as the investor in the parent company's securities is concerned, the subsidiaries in this country can simply be regarded as departments of the parent company's operations.

The Canadian International Paper Company was incorporated when the International Paper Company acquired the property of the Riordon Company.

The parent company appointed to the board of the Canadian International Paper Company, a large number of leading Canadian financial men. From this you can judge what these men feel about the ultimate future of the International Paper Company.

The weakness in the shares of the International Paper Company — and indeed, practically all the newsprint shares—is simply due to the fact that production has grown with such rapidity that it has outstripped the demand for newsprint paper in the United States.

Ultimately, the demand will again catch up with the capacities of the mills on this continent and we believe that you will again see an upward movement in the newsprint stocks including the International Paper Company.

The company has grown by leaps and bounds over the past few years and as its growth has been so extensive, it is really impossible to compare its present operations with those of preceding years. Thus, there is no statistical record obtainable which would prove of value to you in attempting to obtain some idea of the position which the company occupies.

In view of the present situation surrounding the production of newsprint, you must realize that the common stock is naturally speculative. In the immediate future it may fall off a few more points. We would say, however, that over a period of three or four years, the chances are that you will receive a satisfactory appreciation in your holdings—but we are not prophets, and you must realize that there is a possibility also that the present situation in the industry will persist over a long period. However, we do not consider this very likely.

Nickel, and Others

I have for investment $3,000 and would appreciate some suggestions from you. I am 41 years of age, on a salary of $6,000, married, with two daughters.

What about International Nickel at not more than 40? or a few shares of bank stock which are all on the climb. Would prefer a safe investment for say a couple thousand and purchase of some moving stock for a turnover, say perhaps within the year.

Present Holdings

Carbon Alloy Steel (Welland) 12 shares at 100	
Dryden Paper, 15 shares.	
Durant Motors, 50 shares.	
Pedlars 1st mort. 1937	$1000—8%
Hamilton Debenture	1000—5%
Edmonton Debenture	1000—5½
North Canada Bond, 1945........	1000—6
Dom. Canada Loan, 1934.........	1000—5½
Can. Canners, Gen. Mort. 1950...	3000—6
Do., common, 20 shares.	
B.C. P. & P. Gen. Mort.	400—7
Do., Common—20 shares.	
Local Mortgages, 7%..........	11,600—7
Stock Manufacturing Co.. ..7% com. (no name but o.k.)	7,200—7+
Insurance (Metropolitan)	13,000
Also Home & Furnishings clear.	

Investors who are prepared to wait cannot go far wrong in buying stock of a company which is growing with the country. Of such a character is International Nickel.

It probably would not be advisable to put all your cash available for investment at this time into International Nickel. Other common stocks which are attractive in hardly less degree include: Page Hersey, Twin Cities, and Brazilian. Of a different class but one in which there are great possibilities is Canadian Pacific even at the present high price. If Canada grows Canadian Pacific inevitably must grow with it. You might reasonably also buy a few bank shares.

ASC INVESTMENT-SERVICE

Real Estate First Mortgage Bonds

Satisfactory interest yields, plus the security represented by valuable lands and revenue-producing city properties, make Real Estate First Mortgage Bonds a particularly desirable investment.

Our offerings include several Bonds of this type, in $500 and $1,000 denominations, of which we recommend the following for immediate purchase:

	Yield about
Acadia Apartments 6½'s, 1939..........	6.65%
Drummond Investment 6½'s, 1938.......	6.25%
London Realty 6½'s, 1941..............	6.65%
Montreal Apartments 6½'s, 1940........	6.30%
Northern Ontario Building 6½'s, 1939....	6.30%
Quebec Apartments 6½'s, 1940..........	6.60%
Sherbrooke Street Realty 6½'s, 1940.....	6.50%
St. Catherine-Stanley Realty 6½'s, 1946...	6.60%

Descriptive circulars forwarded on request.

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York

J13

Investments for February Funds

Our February List may supply just the information you would like, whether you are interested in Government, Public Utility or Industrial bonds or Preferred Stocks.

Perhaps you would like to have us place your name on our mailing list, to receive these monthly announcements regularly. A request will be sufficient.

Greenshields & Co
Members Montreal Stock Exchange
465 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

60

Wood, Gundy & Company
Limited

Investment Bankers
for
Governments
Municipalities
Corporations

P. Lyall & Sons Construction Company, Limited

Toronto - Montreal - Ottawa

Porto Rican American Tobacco Company

6% Convertible Gold Bonds

Due January 1, 1942

The Company and controlled companies constitute the most important factor in the Porto Rican tobacco industry and their business is well established in the United States under well-known brands. We recommend these bonds to those desiring security and profit-sharing possibilities. Circular on request.

Price at market to yield about 6.10%

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East TORONTO | 204 Blackburn Building OTTAWA | 71 St. Peter Street QUEBEC
191

Indications point to a further lowering of the rate of interest charged on First Mortgages on improved properties. We can offer a few well secured and seasoned First Mortgage Real Estate Bonds to yield a most attractive rate of interest. A list of such investments will be supplied upon request.

STEWART, SCULLY CO.
LIMITED
Government, Municipal, Real Estate and Corporation Bonds
TENTH FLOOR, ROYAL BANK BUILDING, TORONTO 2. 3

A Protected Investment

THERE are several forms of investment which might be considered to be well protected. A first mortgage bond secured by centrally located and improved real estate is a particularly well-protected investment if it is secured by:

1. A bond issue constituting a reasonable proportion of the value of the property.
2. When the equity behind the bonds is owned by individuals or interests who can and will protect their investment in the property.

We offer for investment First Mortgage Real Estate Bonds of this character. Write for full particulars and special circular.

W. A. Mackenzie & Co. Limited
Investment Bankers
217 Bay Street - Toronto

OSLER & HAMMOND

F. G. OSLER | G. T. CHISHOLM
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Municipal Bankers
BOND AND SALES CORPORATION, LIMITED
Dealers in
Canadian Government, Municipal and "Dollar for Dollar" Bonds
CORRESPONDENCE INVITED
34 KING ST. EAST, TORONTO
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We are in the market at all times for
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British Columbia Bond Corporation, Limited
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Lougheed & Taylor, Limited
Calgary, Canada
Bond, Insurance, Estates, Farm Lands, Appraisals
We are well informed on the oil situation.

News of Investment Markets

ST. JOHN PAPER OUTPUT IS SOLD FOR TEN YEARS

Bond Issue on New Paper Company Sold to Yield Over 6.5 P.C.

From Our Own Correspondent.

MONTREAL.—The anticipated public offering of the securities of the Lake St. John Power and Paper Co., formerly known as the Mistassini Power and Paper Company, took place this week when the Dominion Securities Corporation offered $5,000,000 of first mortgage, 6½ per cent., twenty-year bonds, series "A" at 99.50.

Perhaps the point of most outstanding interest about the present offering of bonds is that the company has contracted with one of the largest and strongest publishing interests in the United States for the sale, over the next ten years, of the entire output of the mill now under construction.

Work Began in August

Construction of the plant began August last. It is located on the west side of the Mistassini river, a few miles north of Lake St. John, and will be in operation by next December, at which time the rated capacity will be 220 tons of newsprint paper per day. It is contemplated extending the development from 220 tons daily to 440 tons per day.

The company holds 1,000 square miles of timber limits, estimated to contain not less than 6,000,000 cords of pulpwood, situated on rivers flowing direct to the mill. The limits insure an adequate supply of low cost pulpwood for over 60 years for the mill now being constructed.

The company holds a favorable power contract with the Duke-Price Power Company which covers the requirements of the mill and extends beyond the time of the present bonds. It holds an option also, on further power under the same contract which insures ample power should the capacity of the mill be doubled.

It holds under a 75-year lease, two water power sites adjacent to its mill, which are capable of developing 20,000 horsepower at low cost. The company's wood cost will be low.

Trust Deed Provisions

The trust deed covering the present issue of bonds, provides that other issues may be made, only to the extent of 75 per cent. of the cost of additions to the property, but such new issues must not mature before the present issue of Series "A" bonds.

Particulars of the issue follow:

$5,000,000
Lake St. John Power and Paper Company
First mortgage sinking fund, 6½ per cent., 20 year bonds, Series "A".
Due February 1, 1947.

Capitalization—

	Authorized	To be Issued
First Mortgage Bonds..	$15,000,000	$5,000,000
Mortgage Debentures ..	7,500,000	3,000,000
7% pref. stock ($100 par value cumulative from July 1, 1928)...	2,000,000	2,000,000
	Shares	Shares
Common Stock (no par value)	100,000	100,000

The Company—Will have a 220 ton paper mill in operation by the close of 1927. Leases 1,000 square miles of timber limits, estimated to contain 6,000,000 cords of pulpwood. Holds power contracts ample for all its requirements and in addition holds under lease power sites capable of the development of 20,000 horsepower.

Sale of Products—Has contracted with large U. S. interests for the sale of its output for a term of ten years.

Management — Construction and operation will be under the direction of John Stadler—one of the best known engineers in the industry.

Purpose of Issue—The proceeds will be used entirely in mill construction, payment for property and for working capital.

Security—The bonds are secured by a first mortgage on the entire assets. The company covenants to pay no dividends on its stock which will reduce the net current assets below $800,000.

Sinking Fund—Sinking fund provisions of the series "A" bonds insure the redemption of 60 per cent. of the issue by maturity. First payment, under the sinking fund, begins February 1, 1931.

Assets—Upon the completion of the plant, the net tangible assets of the company have been conservatively estimated at $13,250,000.

Earnings—At the present price of newsprint, the net earnings available for interest and depreciation should amount to four times the interest charges on the issue.

Offered—By Dominion Securities Corporation, February, 1927, at 99.50.

L. ONTARIO SHARES SOLD TO PUBLIC

No Par Common Stock of Brewery Offered at $22 a Share

From Our Own Correspondent.

MONTREAL. — Yet another brewing company is offering its securities to the public. A syndicate of Montreal investment houses is offering 22,000 shares of no par value of the Lake Ontario Brewing Company. The company has no securities or mortgages ranking senior to the present issue of common shares so that at the offering price of $25 per share, the property is capitalized at $550,000. The company has an ample working capital and is entirely free of debt and liabilities.

As the Lake Ontario Brewing Company is the only brewery in Kingston, Ontario, when the new Ontario government regulations come into force the plant is therefore in a position to serve a fairly wide territory. Moreover, the license held by the company is the only one procurable in that district.

The particulars of the issue follow:

Lake Ontario Brewing Company.
22,000 shares of no par value.

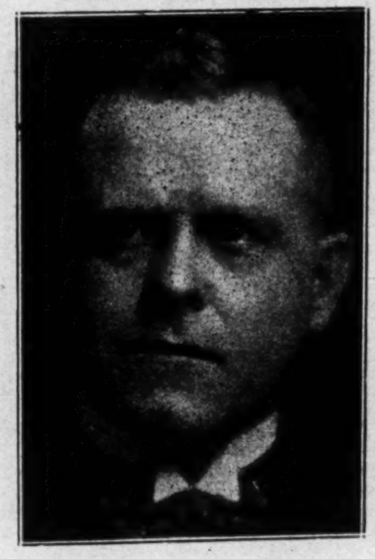
Capitalization—Common shares of no par value. Authorized, 22,000 shares, issued 22,000 shares.

Plant—Is modern in every way and situated on deep water at Kingston, Ontario. Up-to-date equipment and machinery have recently been installed. An appraisal of the property places a valuation upon the physical assets in excess of $400,000. Current assets exceed $70,000.

Earnings—From export business and from a local business in light beers, brought earnings equivalent to 9 per cent. on the present issue. If the brewery operates at only half its capacity this year it is estimated that profits applicable to the stock will amount to 14 per cent. The brewery could operate at 50 per cent. capacity without selling outside the city of Kingston.

Management—Will remain in the hands of those responsible for building up the present business.

Offered—February, 1927, at $25 per share, by Bruneau and Rainville, Geoffrion and Company, J. M. Robinson and Company and Ernest Savard.



J. L. GRAHAM,
formerly a partner of Macneill, Graham & Co., who has established his own firm of J. L. Graham & Co. to continue dealing in government, municipal and corporation Bonds. Mr. Graham has had a great many years' experience in Toronto bond circles and served for two years on the executive of the Investment Bankers' Association.

ABITIBI FIBRE CO. OFFERING MADE TO YIELD 6.09%

Abitibi Power Acquires New Subsidiary and Sells $4,000,000 Bonds

From Our Own Correspondent.

MONTREAL. — The financing whereby the Abitibi Power and Paper Company acquired the assets of the old Mattagami Pulp and Paper Company took place this week when the Royal Securities Corporation offered to Canadian investors $4,000,000 first mortgage, 6 per cent., sinking fund, bonds of the Abitibi Fibre Company.

The Abitibi Fibre Company is a wholly owned subsidiary of the parent company and owns a sulphite pulp plant with a capacity of 60,000 tons per annum of high grade sulphite pulp. Half the pulp output is bleached and the bleaching equipment was added only last year. The company owns a 9,000 horsepower hydro-electric plant which meets the current needs of the mill.

The lease and freehold timber land limits total 965 square miles and are estimated to contain not less than 3,000,000 cords of pulpwood. At Yellow Falls, eight miles above the mill, on the Mattagami River, the company has under lease additional water power sites capable of a minimum development of 4,000 horsepower and in addition there is available an ample reserve of electric power from the Island Falls development of the parent company whose main transmission line passes within 20 miles of the mill.

Eventually Some Newsprint

The parent company owns all the preferred and common stock of its subsidiary and it is the intention when economic conditions warrant, to further develop the property by the addition of a newsprint mill for which power and wood conditions are peculiarly favorable.

The present issue of series "A" bonds can not be augmented by further issues except under conservative restrictions provided in the trust deed. The entire issue of series "A" was sold immediately the offering was made.

From the price which the parent company paid for the property as compared with the earning power of the assets, it will be seen that the Abitibi Power and Paper Company stands to benefit very materially through the purchase.

The particulars of the new subsidiary's bond issue follows:

$4,000,000
Abitibi Fibre Company
First mortgage 6 per cent. sinking fund bonds, series "A".

Capitalization—

	Authorized	To be Outstanding
First mortg. 6% sinking fund bonds (series "A")	$10,000,000	$4,000,000
7% Cum. pref. stock..	10,000,000	4,000,000
Common stock (no par value) ....(shs.)	100,000	100,000

The Company—Has an annual production of 30,000 tons of unbleached and 30,000 tons of bleached sulphite pulp. Owns hydro-electric plant generating 9,000 horsepower. Timber limits cover 965 square miles.

Security—A mortgage covering all the present and future assets of the company.

Assets—Net tangible assets amounted to $9,806,197 at the end of the 1926 year.

Earnings—Net for the year 1926, reflecting only a part of the operation of the new bleaching plant, were over 2.9 times the annual interest charges of $240,000 on the bonds.

Sinking Fund—Commences November 1, 1928, and will retire over 61 per cent. of the series "A" bonds before maturity. The minimum annual payment is $90,000.

Management—Owned outright and managed by the Abitibi Power and Paper Company, which has its plant and property located in the same territory.

Offered—February, 1927, by Royal Securities Corporation, and Peabody Houghteling, Inc., at 99 to yield 6.09 per cent.

INVESTMENT BONDS
HIGH-GRADE PREFERRED STOCKS
Williams, Partridge & Rapley, Limited
171 ST. JAMES ST., MONTREAL

ALUMINUM CORP'N. ISSUE IS TO RAISE FUNDS FOR CANADA

Portion of Proceeds for Completion of Arvida Development

The largest piece of industrial financing so far this year took place during the week when $60,000,000 of 5 per cent. sinking fund debenture bonds of the Aluminum Company of America were offered to the public by a syndicate headed by the Union Trust Co., of Pittsburgh. A small block of this issue was offered in Canada by the Dominion Securities Corporation.

The proceeds of these bonds are primarily to provide funds for the redemption of outstanding funded debt exceeding $23,000,000 and for the payment of bank indebtedness contracted in the last four months in connection with its building program.

The remaining proceeds are to be used for corporate purposes of the Company, including this building program which it is anticipated will be completed by the end of 1928. This program consists principally of the building of dams and hydro-electric plants in North Carolina, and an aluminum smelting plant, ore plant, town, etc., at Arvida, in Northern Quebec.

Earnings Put Into Business

Since its inception the policy of the company has been to put back into the business a large portion of earnings. For the past five years the amount put back has averaged more than 75 per cent. of earnings before dividends. As a result, the activities of the company have been extended enormously, and aside from water power developments, aluminum plants which the company own and operate produce about 175,000,000 pounds of the metal each year, of which Canadian plants are capable of turning out 20,000,000 pounds annually.

In time, the Canadian plants will turn out an even larger percentage of aluminum that credited with at present. Development work at Arvida is proceeding rapidly, and although one or two units are now producing, it is not expected that maximum production will be reached before the end of this year.

Ottawa Traction Will Ask Increased Fares

From Our Own Correspondent.

MONTREAL.—Definite indication that the Ottawa Electric Railway will apply for an increased fare to become effective when its next five-year contract with the city is begun in August, 1928, was forthcoming at the annual meeting of the company in Ottawa. Figures were submitted to show that the estimates of revenue as given by Robert M. Feustel, expert employed by the city in 1922, to assist in the formation of a new agreement, had not been reached on the existing five-cent fare basis, despite the fact that the street car system carried 1,386,949 more passengers than in 1925. The total for 1926 was 35,753,611.

Rolland Appointed

MONTREAL.—S. J. B. Rolland, president of the Rolland Paper Company, has been appointed a vice-president of La Banque Provinciale du Canada.

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ATTRACT CAPITAL BY LOWER TAXES IS AIM ON COAST

British Columbia Leads by Heavy Cut in Income and Succession Duties

Readjustment of income and succession duty taxes of the Province of British Columbia are proposed in the budget submitted to the Legislature by Hon. J. D. MacLean, minister of finance. Considerable dissatisfaction has been expressed from time to time on the burdensomeness of provincial taxes, the statement being made that the tax on business and industry was heavier than in the other provinces, or, for that matter, in the neighboring states of the Union.

Income Tax Rebates

No cut has been made in the rate of the income tax. That remains as formerly, a graduated tax running from one per cent. up. Rebates, however, will benefit the married man. It is proposed to increase exemptions for married persons from $1,500 to $1,800 and for dependents from $200 to $300. Widows and widowers with dependent children will be allowed the same exemptions.

Tax On Business

It has been the constant endeavor of the Government to devise a substitute for the personal property tax which would afford relief by spreading the burden more equitably over a greater number. With this end in view Hon. J. D. MacLean, in his budget speech, said that a tax of gross income will be introduced, which has the effect of graduating the minimum amount of tax payable in respect of trades, businesses and professions. It is alternative with the tax on net income, and, by a compensating adjustment which will be made in three-year periods against any greater net income tax payable in the corresponding years, the tax, except for establishing a minimum, is on an absolute basis of net income.

Succession Duty Reductions

Substantial reductions will also be made in succession duties. Owing to the multiple tax on estates that happen to consist of realty or personalty in several states or provinces, all of which had the same right to tax the same properties following the domicile, many people of moderate wealth who desired to retire to British Columbia have been kept away because of these taxes and while there will be a loss of some $400,000 a year to the province by the suggested cut, it is felt that this sum will be more than made up by additional capital and population attracted to the province by lower duties.

It is proposed that the following amendments be made to the Act:

"1. Reduce all rates for all classes one-third.

"2. Raise the exemption in Class One, which includes wife, husband, father, mother, child, grandchild, son-in-law and daughter-in-law from $10,000 to $20,000.

"3. Eliminates all increases in rates in excess of $1,000,000. In other words, maximum rates for Class One beneficiaries as shown above will be 12 per cent. To grandfather, grandmother, uncle, aunt, cousin, brother or sister of deceased, or any descendant of brother or sister, 16 per cent.; all others a maximum rate of 20 per cent. There will be no surtax.

"4. It is further proposed to exempt insurance in the amount of $50,000, when such life insurance passes to husband, wife, father, mother, child, grandchild, son-in-law or daughter-in-law. This will give an exemption of $45,000 more than any exemption in Canada.

"5. When deceased person directs sale of his real estate, probate duty is now charged. It is therefore proposed to extend the probate levy on all realty, so that every estate will be assessed on a uniform basis.

At the same time, the minister of finance announced that the amendment will do away with the double charge when it has been found properly payable in any other province of Canada. It will also mean that under present arrangement with Great Britain and Ireland, estates charged on personalty in those countries will not be assessed again in British Columbia.

Business will pay a tax of one-tenth of 1 per cent. on its total turnover under the government's new gross income tax. The tenth of 1 per cent. tax will raise a revenue of some $600,000 at least, thus replacing the personal property tax, which raised $593,000 for the government last year.

Another Line, Pacific to Europe

In July of this year, the Donaldson-Black Steamship interests will inaugurate a service, Glasgow to Pacific coast ports. The ships will have large refrigeration space and will specialize in handling fresh fruits, fish and meats. This will make six refrigeration ship services operating from Europe and United Kingdom to Pacific coast points with Vancouver as the last port.

International Loan Has $709,000 of Mortgages

Annual report of the International Loan Company, Winnipeg, for 1926 has been published. The company was organized by western business men just prior to the war in the belief that it could be built up to equal the large eastern companies formed many years ago.

Since the close of the war period in 1919 there has been paid in by the shareholders the sum of $320.492 on stock subscriptions and the total paid capital is now $653,660. This at the close of the year was the company's only obligation. It takes no deposits, has no outstanding bonds, and no obligations of any nature to the general public.

Against this obligation to its shareholders the company has first mortgages of $709,536. Its real estate taken under foreclosure amounted to $43,394, which is a reduction from last year. Its total assets are $759,460. Surplus and undivided profits accounts now stand at $103,512.

At the close of the year the company had nearly 1,700 shareholders, chiefly in Manitoba and Saskatchewan, and a subscribed capital of $4,438,100 payable in instalments over a period of years.

Royal Trust on Income Tax

Royal Trust Company have revised their booklet, "The Income Tax and the Individual," to include all recent changes in legislation.

Tenders and By-laws

Feb. 12. Stayner—$23,400, 5½%, 15-instalment bonds. A. J. F. Sullivan, Mayor.

February 14. Fort Frances—$25,000, 5½%, 20-year serial telephone debentures. H. E. Marr, Treas.

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s 1940	104	105
Algoma Steel 5s 1962	30¼	31¼
Anticosti Corp. 6½s 1941	102⅜	103¼
Belgo Can. Paper 6s 1943	102½	103⅛
Brandram Henderson 6s 1936	95¼	97
Burns, P. Co. 6½s 1943	102¾	103¾
Calgary Brewery 5s 1942	88	89¼
Calgary Power 5s 1940	92	93¼
Canada Lt. & Pr. 5s 1949	93⅞	95¼
Can. Car & Fdry 6s 1939	104¼	105¼
Can. Nor. Power 6½s 1941	100¾	101⅜
Brompton P. & P. 6s 1946	99⅛	100⅛
Can. Steamships 5s 1943	98½	99½
Can. Steamships 6s 1941	98¼	99
Can. Steel Fndry 6s 1936	104¼	105½
Davies, Wm. 6s 1942	92½	93½
Dominion Iron 5s 1939	28¾	30½
Dom. Power & Tr. 5s 1932	96¾	97¾
Dominion Textile 6s 1949	106	108
Duke Price Pr. 6s 1966	105	106
East Kootenay Pr. 7s 1942	103¾	105¼
Elev. Development 5s 1933	100	100⅝
Fraser Co. 6s 1950	98¾	99⅜
Gatineau Power 5s 1956	96¼	97½
Howard Smith P. & P. 7s 1941	103⅝	104¼
International Paper 6s 1955	98⅛	98¾
King Edward Hotel 7s 1944	88	94
Lake Superior P. & P. 6s 1941	106	107⅛
Laurentian Pr. 6s 1936	102½	103⅞
Laurentide Pr. 5½s 1946	101¾	102⅛
Maple Leaf Mfg. 6½s 1943	103½	105
Maritime Tel. & Tel. 6s 1941	103⅛	105
Manitoba Pr. 5½s 1951	99⅝	100
Mattagami P. & P. 7s 1949	112	116
Mercury Mills 6½s 1943	100½	101¾
Mont. L. H. & Pr. 5s 1951	99⅝	100¼
Mont. Pub. Service 5s 1942	99	99⅝
Nor. Can. Pr. 6s 1945	101¼	102
Nor. Ont. L. & P. 6s 1946	100¾	101¾
Nor. West. Utilities 7s 1938	99¼	100½
Nova Scotia Steel 6% Debs.	30½	34
Nova Scotia Tram. 5s 1946	91	93
Nova Scotia Tram. 7s 1952	99	100
Ont. Pulp & Paper 6s 1931	108¼	109¾
Ottawa Hull Pr. 6s 1948	103⅝	104½
Ottawa L. H. & Pr. 6s 1953	105	106
Ottawa Mont. Pr. 6½s 1949	102⅝	103⅝
Ottawa Riv. Pr. 6½s 1953	103	103¾
Ottawa Trac. 5½s 1955	100¾	101½
Port Alfred P. & P. 6½s 1943	102¼	102⅞
Price Bros. 6s 1943	103⅝	104⅝
Prov. Lt. & Pr. 5s 1946	100¾	101½
Page Hersey 6s 1946	101¼	102¾
Quebec Pr. 6s 1953	106½	107¾
St. Lawrence Paper 6s 1946	98	98⅞
St. Maurice Pr. 6½s 1953	108¼	108¾
St. Maurice Valley 6s 1945	99½	101
Shawinigan W. & P. 6s 1950	105⅛	106¼
Simpson, Robt. 5s 1952	95	96½
Simpsons, Ltd., 6½s 1945	103	104
Southern Can. Pr. 5s 1955	97¾	99
Spanish River P. & P. 6s 1931	108½	109½
Spanish River P. & P. 8s 1941	106⅝	107¾
West Kootenay Pr. 6s 1943	103⅛	105
West Pr. of Can. 5s 1949	96½	97¾
Winnipeg Elec. 6s 1954	100	100½
Winnipeg Elec. 5s 1935	98⅛	99½

BOND MOVEMENTS OF THE WEEK

Week Ending February 8

Bonds—	Int. Rate	Due	Yield	Range, 1925 High	Range, 1925 Low	Range, 1926-27 High	Range, 1926-27 Low	Ask	Bid	Latest Price High	Latest Price Low
Asbestos, gen. mtge	6	1956	6.49	..	..	94½	81¾	93½	..	93½	93
Do., 1st mtge.	6	1941	6.00	..	..	101⅜	96¼	..	101½	100	98½
Canada Cement	6	1929	5.18	103	100	102½	100½	102	101¾	102¼	..
Can. S. S. debs.	5	1943	5.16	83	77	98⅛	87	98⅛	..	98⅛	..
Cedar Rapids	5	1953	4.93	99⅛	97	101½	98⅛	101	..	101	..
Mexican Elec.	5	1942	9.39	56	56	65	52	..	62	65	63
Mexican Power	5	1940	8.92	65	60	71	68	67	65	69	..
Montreal Trams, "A"	5	1955	5.20	94	88¼	97¾	93	96⅝	96½	97	96½
Do., 1st mtge	5	1941	5.04	98¾	94⅞	99⅞	93	99½	..	99½	..
Montreal Power	5	1933	5.00	..	..	100	97	..	..	100	99¾
Quebec Rly.	5	1939	5.16	98	89¾	100	91⅞	99	98½	98½	..
Steel of Can.	6	1940	5.28	106	104	107⅞	106	..	104	107⅛	107
Wayagamack	6	1951	6.03	98¾	84¼	100⅝	91¾	99¾	..	99½	..
Winnipeg Elec.	5	1935	5.14	93	92½	99	92½	99	..	99	..
War Loan	5	1931	4.70	102.65	101.80	102.40	100.35	101.80	101.50	101.40	......
Do.	5	1937	4.56	104.95	103.80	104.65	102.75	104.30	104.00	103.90	103.85
Victory Loan	5½	1927	4.30	103.15	101.05	101.75	100.00	100.95	100.80	100.90	100.75
Do.	5½	1933	4.68	107.00	105.10	106.80	103.65	104.60	104.55	104.75	104.50
Do.	5½	1934	4.88	104.30	103.25	104.10	102.15	103.90	103.80	103.95	103.80
Do.	5½	1937	4.56	110.00	108.05	109.30	106.90	108.05	107.80	108.00	107.80
Do., Renewal	5½	1927	4.90	102.65	100.90	101.75	100.00	100.85	100.65	100.65	100.50
Do.	5½	1932	4.91	104.20	102.10	103.40	102.00	103.30	102.95	103.05	102.85
Do., Refund	5	1928	4.90	104.40	100.10	101.30	99.00	101.05	100.70	100.60	100.55
Do.	4½	1940	4.62	97.50	96.00	98.70	95.60	98.50	98.15	98.70	98.25
Do.	5	1943	4.74	102.95	101.20	103.00	101.15	102.75	102.65	103.00	102.55
Do.	4½	1944	4.62	97.75	94.95	98.55	95.75	98.50	98.25	98.50	98.35
Do.,	4½	1946	4.61	.....	.....	98.55	95.60	98.50	98.30	98.60	98.50

BRITISH COLUMBIA HAS SURPLUS FOR YEAR OF $250,000

Finance Minister Declares Province in Strong Position

Splendid progress has been made in consolidating the public finances of British Columbia in the last year or two, and the province is now in a strong position to keep abreast with the developments and expansion of commercial and industrial activities of the future.

Increased revenues and additional expenditures are anticipated in the estimates for the year 1927 28, submitted to the legislature by Hon. J. D. MacLean, minister of finance, as part of his budget.

Revenues for the year ending March 21, 1928, for the main estimates are calculated at $19 757.296, and the expenditures for the same period, $19,502,806. The statutory estimates show a revenue of $1,650,420, and an expenditure of a similar amount, bringing the total estimates to $21,407,716 revenues, and $21,153-226 expenditures, providing an expected surplus for the coming year of $254,489.

Revenues Show Improvement

In commenting on the estimates, the minister of finance said:

Our estimated receipts of revenue exceed that of the year ending March 31, 1927, by $1,197,950. The main sources of this increase are from motor licenses, income tax and real property tax.

The province retired during the year $5,130,000 of its funded debt by sinking fund provisions. From Confederation to December 1, 1925, only $1,725,210 of the provincial debt had been retired. Of this $381,210 was paid off in 1917.

The sinking fund appropriation and dividends for the year to provide for debt redemption approximates $3,000,000. The total sinking funds on November 1, 1926, amounted to $13,969,064, giving a surplus over required amount of $936,420.

The total debt of the province represents $132.81 per capita. The net debt is $77.93. The returns from our revenue-producing debt for the year ending March 31, 1926, was $1,292,498.

Assets Equal $1,335 Per Head

The assets of the province in merchantable timber, crown lands and buildings equal $1,335 per capita.

Refunding from 6 per cent. short term to 4½ per cent., long term bonds effected a saving to the province to date of $9,336,659. As a result of this refunding policy, the average interest rate payable on the provincial debt is 4.76 per cent., against 5.33 in Alberta, 5.20 in Ontario, 5.02 in Saskatchewan and 4.96 per cent. in Manitoba.

Surplus revenue over all expenditures, both capital and current, was $100,793.

Public Debt Shows Decline

Continuing, the minister of finance stated that the gross public debt of British Columbia as at November 1, 1926, was $76,667,681. This was $220,568 less than the gross debt total as at November 1, 1925. Details of the debt showed that $69,485,736 was funded, and $6,995,220 was temporary, with a mortgage indebtedness of $186,725 on B. C. House in London.

Against the gross debt was a total of $17,295,040 of revenue-producing debt and sinking funds to the amount of $13,969,064, leaving a net debt of $45,403,576.

Dealing with the proposed loan bill for $6,000,000, he said:

"It will be necessary to ask the Legislature for authority by way of a loan bill for $6,000,000 for the following purposes: For roads and bridges $4,000,000, for public buildings $1,100,000, for Pacific Great Eastern Railway $500,000, for South Okanagan development $100.000, for University lands development $300,000."

This Week's Bond Sales

Pointe Claire Issue

A. E. Ames & Co. have been awarded an issue of $85,000, Town of Pointe Claire, Que., 5 per cent. serial bonds, on a bid of 99.36. The were:

A. E. Ames & Co.	99.36
Rene T. Leclerc	99.31
Credit Anglo Francais	99.14
Mead, & o., and Dom. Secs. Corp.	99.07
Wood, Gundy & Co.	98.85
L. G. Beaubien & Co.	98.75
Versailles, Vidricaire, Boulais	98.83
Hanson Bros.	97.57
Brouse, Mitchell & Co.	98.882

West Vancouver Issue

The municipality of West Vancouver sold an issue of $115,000, five per cent., 25-year bonds to Pemberton and Sons at a price of 98.45.

Point Grey Sells Bonds

Pemberton & Sons, and Wood, Gundy & Co., have been awarded an issue of $586,000 Point Grey, 5 per cent. ten to fifty year bonds at a price of 99.02.

Portage la Prairie Bonds

The city of Portage la Prairie disposed of an issue of $100,000 5½ per cent., 40-year bonds to McDonagh, Somers & Co., at 104.807. The tenders follow:

McDonagh, Somers & Co.	104.807
C. H. Burgess & Co.	104.42
Dyment, Anderson & Co.	102.93
McLeod, Young, Weir & Co.	101.38
Bank of Commerce	100.93

Mont Laurier, Que.

An issue of $65,000, Mont Laurier, 5 per cent., 30-year serial bonds was awarded to Ernest Savard, Ltd., at 98.375, which is equal to a cost basis of 5.14 per cent. Bids were as follows:

Ernest Savard, Ltd.	98.375
Corporation de Prets	96.90
L. G. Beaubien & Co.	97.27
Normand & Halin	98.03
Versailles, Vidricaire & Boulais	98.11

New Brunswick Bonds

An issue of the Province of New Brunswick bonds, amounting to $640,000, bearing interest at 4¾ per cent., and maturing in twenty years, was awarded to the Dominion Bank, at a price of 99.68, which is equivalent to a yield basis of 4.77 per cent. Optional tenders were called on ten or twenty year debentures, both payable in Canada and New York. Other bids were as follows:

	Maturity 10-year	Maturity 20-year
Dominion Bank	99.43	99.68
Bank of Montreal	.....	99.67
A. E. Ames and Co.	.....	99.67
Wood, Gundy and Co.	99.42	99.61
Fry, Mills, Spence	99.41	99.41

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Montreal Tramways 5's 1955
Montreal Public Service 5's..........1942
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WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Sold To—	Rate	Maturity	Amount	Price	Cost Basis
		Municipal					
Point Grey	Feb.	Pemberton & Sons, and Wood, Gundy & Co.	5%	10 to 40-yr.	$586,000	99.02	...
West Vancouver	Feb.	Pemberton & Sons	5%	25-yr.	115,000	98.45	...
Mont Laurier, Que.	Feb.	Ernest Savard	5%	30-yr.	65,000	98.375	5.14
Portage la Prairie	Feb.	McDonagh, Somers & Co.	5½%	40-yr.	100,000	104.807	5.21
Quebec, Que.	Jan.	A. E. Ames & Co., and Bank of Montreal	5%	30-ser.	585,000	101.73	5.85
Pointe Claire	Feb.	A. E. Ames & Co.	5%	Serial	85,000	99.36	...
		Provincial					
New Brunswick	Feb.	Dominion Bank	4¾%	20-yr.	640,000	99.68	4.77

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Lake St. John Power & Paper	Feb.	Dominion Securities Corp.	6½%	1947	$5,000,000	99.50	....
Rowntree Co. of Canada	Feb.	Manufacturers' Trust, N.Y., and J. H. Causey & Co., Denver	6%	1937	1,000,000	100	6%
Manufacturers' Building	Feb.	United Bond Co.	7%	....	144,000	100	7%
Abitibi Fibre Co.	Feb.	Royal Securities and Peabody, Houghteling and Company	6%	1947	4,000,000	99	6.09%
Associated Gas & Electric	Feb.	U. S. Syndicate	5½%	1977	40,000,000	95¾	5.75
Stock Issues—							
Lake Ontario Brewing	Feb.	Bruneau & Rainville, and Syndicate	Com. no par		22,000 shares	$25	

Insurance for Buyer and Seller

THINKS FARMERS' MUTUALS SHOULD BUILD SURPLUSES

Superintendent Foster, of Ontario, Makes Suggestion in Report

Further suggestions in respect to the carrying on of farmers' mutual fire insurance companies, are offered by R. Leighton Foster, superintendent of insurance for Ontario, in his annual report, issued this week. In 1924 the laws respecting the minimum rates charged by these companies were changed, and the act fixed a minimum rate of 80c. for three years (30 cents per year in instalments) for every $100 of insurance on agricultural property other than brick, store or concrete dwellings. The act further provided that these minimum payments may be reduced as long as the cash surplus of the company is not less than 25 cents for every $100 of total risk.

Surplus Not Justification

The superintendent states that experience shows that a mere cash surplus is not sufficient to justify a reduction in rates, inasmuch as the act provides that should at any time this cash surplus be depleted below the statutory limit, automatically the minimum rates prescribed by the act, must come into effect. Mr. Foster recommends that a surplus over and above the statutory surplus should first be secured, equal to at least twice the average annual losses paid by the company during the past five or ten years.

The superintendent reports that several companies have built up the cash surplus necessary under the act, to reduce rates but that so far, only three companies have actually effected a reduction below the ordinary minimum requirement. These three have all been well within the margin of safety recommended by the superintendent.

"Security and service are of more importance than rates, to the average policyholder, and to the average member of a mutual company. The history of mutual fire insurance in Ontario for fifty years shows that there has always been a differentiation in rate between insurance companies."

Busy Year for Licenses

Mr. Foster reports that the year 1926 has been a remarkable one for the number of companies which have applied for and received their initial Ontario license. In 1925, nine insurers were newly licensed, and in 1926, no less than 22 new licenses were issued, sixteen to joint stock companies and the balance to fraternal or mutual benefit societies. At present there are 163 companies licensed to transact fire insurance, and 112 automobile insurance in Ontario.

Think Life Insurance Should Be Free From Death Taxes

George W. Allan, K.C., president of the Great West Life Assurance Co., in making his maiden speech at the annual meeting of that company, spoke in no uncertain terms about the need for a revision of the laws regarding succession duties. Mr. Allan congratulated the provinces on adopting a uniform insurance law and then went on to say:

"The taxation of life insurance policyholders by the provincial governments is excessive. There is a crying need in Canada for a revision of the laws relating to succession duties. The existing imperfections are by no means confined to matters relating to life insurance, but it seems worth while to remind our policyholders that, in the case of removal from one province to another, there is the possibility that double succession duty will be imposed on their policy proceeds. It would be altogether reasonable to exempt life insurance policies from succession taxation altogether. Life insurance is sometimes, and with some degree of propriety, regarded as an investment, but essentially and legally it is an indemnity, and the question arises: why should the government take in taxation a portion of the indemnity received by a beneficiary to partially replace a definite loss sustained?"

Great West Increases Profits to Policyholders

Commenting upon the record of the company during the past year, C. C. Ferguson, general manager of the Great West Life Assurance Co. laid particular emphasis on the company's policy with regard to reserves. He remarked that for several years the company had been earning a larger amount of profits than were necessary for the maintenance of the dividend scale, but that the company had been laying aside considerable sums in unassigned profits and special reserves.

For the year 1927, Mr. Ferguson announces that the company will materially increase its scale of profits to policyholders.

Mr. Ferguson commented upon the heavy demand that the company has experienced, for policies which carry certain settlement features instead of the ordinary cash payment at death. Another special type of policy written by the company is that under disability and accident plans, the premiums from this class of business, amounting in 1926 to $236,409.

Wawanesa Mutual Writes $51,000,000 in Year 1926

The Wawanesa Mutual Insurance Co., of Wawanesa, Man., reports a record year of business during 1926. Insurance written during the year amounted to $51,428,762, which is the best in the company's history and an increase of 21 per cent. over 1925, the previous record. The company now has in force $125,749,692 of insurance. The assessment on the membership during 1926 was on the basis of 22½%, an exceptionally low figure. Cash premiums amounted to $122,502, and $224,310 was paid out in losses, a lower loss ratio than in 1925. The bond holdings of the company increased by $225,000, making the total investment in that class of investment security $686,000. The company is the largest farmers' mutual in Canada.

Actuaries Study Reserve Problem

The question of actuarial reserve requirements, which was brought to the attention of the life insurance companies by G. D. Finlayson, Dominion superintendent of insurance, last fall, is still pending. The whole matter has been referred to the actuary committee of the Canadian Life Officers' Association. V. R. Smith, Confederation Life Association, is chairman of the committee, and although several meetings have been held, no report has as yet been made. The subject is a very important one and the companies were particularly asked by Mr. Finlayson to go into the question as thoroughly as possible before submitting their recommendations to him. The committee is expected to report to the Life Officers' Association in a few weeks time, and then in due course the recommendations will be forwarded to Ottawa.

Sun Life Writes in '26 $265,000,000 of Business

From Our Own Correspondent.

MONTREAL.—The Sun Life Assurance Company of Canada made its greatest advance of any year since its inception during 1926, when it concluded the year with a total of $1,256,490,115 of insurance on its books. Once again the company shows a large increase in its revenue account; this time it is an increase of 14 per cent. The insurance written during the year amounted to over $265,000,000—a new high record in Canadian insurance.

The total income for the year showed a gain of nearly ten million dollars, reaching approximately seventy-nine million dollars for the year. The average rate of interest earned again shows an increase from 6.41 per cent. in 1925 to 6.69 for 1926.

Surplus Account Up

The undivided surplus of the company now stands at over thirty-four millions, exclusive of contingency funds of eleven million dollars. This is an increase of undivided surplus for the year of over five million dollars, and an increase for the year of one million dollars to the contingency fund.

The assets show an increase for the year of over forty-two million dollars, bringing the total assets close to three hundred and fifty millions. For the seventh consecutive year a material increase in the scale of profits has been made to policyholders. In this connection it is interesting to note that since 1920 the assurances in force have multiplied two and a half times, but the amount paid or allotted to policyholders has multiplied five and a half times in the same period.

The following table tells the story of the development of a Canadian institution which to-day ranks amongst the foremost financial institutions:

	Assurances paid for during 12 months	Assets	Total Assurances in force
1872	$ 727,350	$96,461	$1,064,350
1881	1,955,010	536,960	5,010,156
1891	5,343,883	2,885,571	19,436,961
1901	10,834,298	11,773,032	62,400,931
1911	26,436,781	43,900,885	164,572,073
1916	42,772,296	82,948,996	281,434,699
1921	90,030,035	129,372,127	536,718,130
1926	. $265,889,546	$345,251,714	$1,256,490,115

Maritime Life Writes $1,500,000 of New Business

From Halifax, this week, comes the annual report of the Maritime Life Assurance Co., a company which has been actively engaged in underwriting since March, 1924. During this short period the company has made remarkable strides. During 1926, the company received 876 applications for new assurances, amounting in all to $1,622,875. Of these, 808 policies were issued, giving a total of new business written amounting to $1,489,725. The total amount of insurance in force at Dec. 31, 1926, was $3,316,921, an increase of 53 per cent. over the 1925 figure. The company's total cash income was $148,130, as compared with $111,674 a year ago. The company's reserves now stand at $108,399, an increase of 125 per cent. over 1925.

During the year the directors increased the premium on the company's capital stock from $25.00 to $37.50 per share. The company is at present writing non-participating insurance, and its charter has been extended so that it can now do business in any part of Canada. The company has branch offices in the Maritimes, in Newfoundland, and in Bermuda, Nassau, Jamaica and the Leeward Islands.

UNION LABOR LIFE PLANS TO ENTER CANADIAN FIELD

American Federation of Labor Backs New Insurance Company

Application will shortly be made to every province in Canada for licenses to permit Union Labor Life to write insurance in this country. This company is now being organized by American Federation of Labor, to write life insurance through its district unions. It is hoped that business can be written about March 1. Formal organization will be completed at the first annual meeting, which will be held March 14. Most of the preliminary work. including the drawing up of policy forms, has been completed. Applications for licenses in all the states and provinces will be made simultaneously in the near future, the policy forms being submitted for approval of the supervisory authorities at that time.

The company will write group and ordinary policies designed to meet the needs of wage earners, trade unionists and trade unions. Ordinary business will be written in four classes, according to hazards of occupation. The company will operate through the local secretaries or other representatives in the United States and Canada of more than 31,000 unions, with a membership of more than 3,000,000. On ordinary policies, to which disability and double indemnity benefits may be added if the insured so desires, the maximum has been set at $5,000. Annuities will be provided through plans of settlement on endowments at advanced ages. More than $350,000 capital and $350,000 subscribed surplus has now been paid in. Under the organization plans an international union is limited to $40,000 of subscribed stock and surplus. local unions to $4,000 and individuals to $500. All insurance will be participating, the earnings of shareholders being limited to 6 per cent. on subscribed stock and surplus.

Protective Association Betters Its Position

From Our Own Correspondent.

MONTREAL.—The annual report of the Protective Association of Canada showed cash on hand amounting to $44,686, and securities with accrued interest of $217,734, making a total of $262,420, as compared to the total assets of $275,595. The current liabilities of the association are only $31,315.

The profit and loss account shows a total income of $376,146, with total claims of $233,450; net profits for the year after deduction of all expenses amounted to $26,440. After deduction of dividends there remained the sum of $3,940, which was transferred to surplus account, which now stands at $97,471.

The following table provides a comparison of the operation of the company during the past three years:

	1924	1925	1926
Claims	53.79	59.32	63.97
Commissions	14.06	13.92	13.23
Other expenses ..	23.01	19.13	18.62
Net profits	11.88	10.55	7.25

MONARCH LIFE PROGRESS

Write $10,000,000 New Business During Year Closed

The annual meeting of the Monarch Life Assurance Co., held at the company's head office in Winnipeg, shows splendid progress during the year 1926. New business written by the company amounted to $10,765,658, an increase of 17 per cent. over 1925. This brings the total insurance in force at the end of the year up to $47,899,886, exclusive of double indemnity assurance of $4,235,089, or a total at risk of $52,134,975. The company's assets now stand at $6,111,267, an increase of $1,119,501 over 1925, and the average rate of interest on invested funds was 7.61 per cent. Policyholders' reserves increased to $770,158, and the average new premium amounted to $32.66 per thousand.

Guarantee Company of N. A.

Net premiums of the Guarantee Co. of North America exceed those of 1925 by $30,000, and amounted to $435,980, according to the annual report of that company issued this week. Net losses paid over exceed those of a year ago by $20,000 and stood at $85,985. The company's outstanding losses for liabilities for losses pending, taxes, etc., amount to $448,914, an increase of $41,213 over 1925.

Crown Life Business Shows 20 P.C. Increase

The twenty-sixth annual report of the Crown Life Insurance Co., shows another record in the amount of new business written during the past year. The amount of new business written in 1926 amounted in all to $22,314,509, or an increase of 20 per cent. over the amount written in 1925. Insurance in force increased in the same ratio and now amounts to $72,443,853. In the last ten years the company has made considerable strides in the underwriting field. The report referred to the loss sustained by the company through the death during the year of G. T. Somers, for eighteen years president of the company. Three new members were elected to the board of directors, including C. W. Somers, the eldest son of the late president. The other members were H. D. Burns, and F. Erichsen Brown. The company's assets now stand at $8,697,234, as against $7,427,821 in 1925, of which $7,480,780 is described as policyholders' reserves. During the year the company realized an average rate of 6.81 per cent. on its investments.

Insurance Personals

The Mutual Life of Canada reports the following staff changes:

Hugh Cannell, formerly provincial manager for New Brunswick, has been appointed branch manager of the downtown agency, Montreal, Que.

R. C. Carter, of London, has been appointed to succeed Mr. Cannell.

S. F. Aiken, Simcoe, Ont., has been appointed district manager for the county of Haldimand and part of the county of Norfolk.

The Ontario Equitable Life has appointed C. E. Mooney, of Windsor, Ont., manager for British Columbia, with headquarters at Vancouver.

BUY INSURANCE COMPANY

British Canadian Taken Over by British American-Western Group

Another unit has been added to the group of insurance companies which comprise the British American and Western group, by the absorption this week of the British Canadian Insurance Co. This company has hitherto been operating only in the Province of Quebec, but according to C. S. Wainwright, general manager of the British America Co., there will be an immediate expansion of both powers and territories under the new management. The income of the British Canadian Co. has been about $150,000 a year, from carefully selected business in the casualty and automobile insurance fields. J. B. Rowland, president of the merged company, will continue as a director of the new company which will continue as a distinct organization.

Issue Insurance License

Dominion license has been issued the London and Lancashire Guarantee and Accident Company of Canada to write inland transportation insurance.

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
Head Office for Canada: HAMILTON, ONTARIO
Writing Fire Insurance at Cost Assets $3,118,764.07
ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE
BRANCH OFFICES
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

The NORTHERN
LIFE ASSURANCE COMPANY OF CANADA
Good insurance salesmen can always find a place with our growing organization. Write for full particulars.
Head Office: London, Ontario.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

THE
IMPERIAL
GUARANTEE AND ACCIDENT
UNDERWRITERS
Guarantee, Accident, Automobile, Burglary, Sickness, Plate Glass, Fire.
HEAD OFFICE:
22 Wellington St. E., TORONTO.

Metropolitan Life
Insurance Co.
The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received. Canadian policies issued and Canadian claims paid in Ottawa.
Business Written in Canada in 1926........ $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1926. $833,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1926.. 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1926...... $ 8,540,178
Investments in Canada, at end of 1926....... $126,150,919
Invested in Canadian Government and Municipal Bonds.. $ 86,743,283
Canadian Head Office
Ottawa, Canada.

Insurance
FIRE, HAIL and CASUALTY INSURANCE
Of every description effected with leading Insurance Offices.
Our Advisory Service is at your disposal.
OSLER, HAMMOND & NANTON LIMITED
WINNIPEG

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY Secretary
W. H. HUNTER President
ALEX. STEWART Treasurer

MONARCH LIFE
ASSURANCE COMPANY
HEAD OFFICE WINNIPEG
Another Year of Remarkable Progress

As at Dec. 31st	Assurance in Force	Assets	Income
1910 ..	$ 3,009,746.00	$ 302,497.15	$ 95,194.78
1915 ..	7,747,835.00	718,800.89	205,153.04
1920 ..	25,564,980.00	1,814,157.55	816,452.31
1925 ..	42,996,096.00	4,991,765.98	1,562,772.13
1926 ..	47,899,886.00	6,111,267.40	1,727,754.59

52,134,975.00 Including Double Indemnity Insurance of $4,235,089.00.
Average Interest Rate Earned in 1926 was 7.61%
TOTAL PAYMENTS TO POLICYHOLDERS in Claims and Dividends since Commencement $1,464,178.44
LIBERAL PROFITS PAID TO POLICYHOLDERS
President W. A. MATHESON
Vice-President F. W. ADAMS
Vice-Pres. and Managing Director J. W. W. STEWART
Asst. General Manager and Actuary J. A. MACFARLANE, A.I.A.
Supervisor of Agencies: JOHN H. ROMIG
Field Superintendents
F. H. PROBY Regina
C. A. CRYSDALE Vancouver
H. F. LOWMAN Toronto
ADDITIONAL QUALITY SALES PEOPLE REQUIRED
Complete Annual Report Mailed on Request

1926
A YEAR OF ACHIEVEMENT
As Seen by The Thirty-Eighth Annual Statement
Presented to the Policyholders and Shareholders of The Dominion Life Assurance Company at the Annual Meeting held on February 11th, for the year ending December 31st, 1926.
Business in Force - - $93,879,207.00
An Increase of $12,000,000.
New Business, 1926 - $23,206,076.00
An Increase of $4,000,000 over 1925
Total Assets - - - - $15,838,610.47
Total Reserves - - - - $11,785,894.00
Premium Income, 1926 - - $ 3,157,312.72
Dominion Life interest earnings for 1926 had the high average of 6.95% on every dollar invested. The death rate or mortality for the year was very low, being only 32.49% of that expected. The results of this highly favorable experience are to be seen in the still larger profits to be paid to Dominion Life policyholders during 1927.
Devoted to those ideals which have been at the very roots of Canadian progress, the company looks forward to the future as an opportunity for greater service, confident that the present era of development is full of glowing promise to the country and its varied enterprises.
Established 1889
Our Toronto Office: 1002 Kent Bldg.
H. R. PETERSEN, Manager
274
The DOMINION LIFE
ASSURANCE COMPANY
Head Office: WATERLOO, ONTARIO

Current Events in Banking World

TWO CANADIAN BANKS ARE NOW THIRD, FOURTH

Only Two New York Institutions Lead in Total Assets

A statement credited to the editorial writer, Arthur Brisbane, that the National City Bank of, New York, following its recent capital expansion, is the largest bank in the world, has started a lively discussion in the New York press in which the Wall Street Journal has taken a leading part.

Had the claim been made for the National City that it is the largest bank in America, it would have been in accord with the facts, but the big British banks—the big five—are all larger in regard to their deposits, and, with one exception, larger in respect to total assets than the biggest of the American banks.

While discussing this question of the relative size of the world's largest banks it may be interesting to point out that the two biggest American institutions, the National City and the Chase National,—two Canadian banks—the Bank or Montreal and the Royal Bank—both as regards assets and deposits, rank as the third and fourth banks in America.

The following summary shows the assets and deposits of the big five British banks, the five leading American and Canada's four largest banks:

	Assets $	Deposits $
British Banks		
Midland	2,054,955,000	1,750,230,000
Lloyds	1,917,565,000	1,699,860,000
Barclays	1,723,005,000	1,531,775,000
Westminster	1,516,700,000	1,367,260,000
Nat. Provincial	1,388,850,000	1,247,405,000
American Banks		
National City Bank	1,394,389,890	1,083,599,159
Chase National	968,967,312	852,456,114
American Exchange Irving Trust	740,553,716	584,164,121
Guaranty Trust	739,834,965	604,960,206
Nat. Bank of Com.	717,114,643	563,356,022
Canadian Banks		
Bank of Montreal	772,232,012	632,064,775
Royal Bank	766,376,943	603,785,438
Bank of Commerce	512,603,549	397,294,627
Bank of Nova Scotia	245,564,789	184,870,276

Seven New Branches Opened in January

The Canadian chartered banks report a net gain of five new branches during the month of January. There were seven new branches opened during the month and two closed. Following is a list of the branches opened and closed:

Opened

Commerce—Hudson, Ont., Ste. Agnes de Dundee, (sub-agency to Huntingdon), Dunbar St., Vancouver; Copper Mountain, B.C., (sub-agency to Princeton).

Imperial—Oakwood Ave. and Rogers Road, Toronto; Noranda, (Rouyn, P.O.)

Nova Scotia—1006 Kingston Road, Toronto.

Closed

Can. Nationale—St. Charles, sub-agency.

Montreal—Rosalind, Alta.

Former Union Bank Man Secretary Wheat Pool Sales

Edward B. Ramsay, former banker, with a wide banking experience in Great Britain and the Orient, has been appointed secretary of the Canadian Cooperative Wheat Producers, at Winnipeg, better known as the central selling agency for the Canadian wheat pools.

Mr. Ramsay was born in Glasgow, and educated in the public schools there and in Edinburgh academy. On leaving school he joined the National Bank of Scotland, and was on the staff for three years. He then entered the London office of the Chartered Bank of India, Australia and China, and was for several years at the Siam branch of this bank.

His health, however, suffered in the tropics, and he came to Canada for a brief vacation in 1910 to visit friends, and has been here since. He bought a farm at Fillmore, Saskatchewan, where his friends were located, and was manager of the Union Bank at that point for a number of years. He also served as municipal secretary, and has been an active worker for the pool since its inception.

Charles P. Jones, retired pioneer British Columbia banker, who landed at Victoria from Edinburgh in 1864, died recently in London. The late Mr. Jones had acted as manager of branches of the Bank of British Columbia, since absorbed by the Canadian Bank of Commerce in the Cariboo district, at New Westminster and at Victoria, before he retired in 1885.—Herald, Calgary.

Monthly Bank Clearings

(In comparison with same month last year).

	Feb. 4, 1926	Feb. 3, 1927
Eastern Cities		
Halifax	$ 2,791,288	$ 2,651,534
St. John	2,486,034	2,431,258
Moncton	719,620	881,022
Sherbrooke	860,241	827,739
Quebec	5,909,195	5,475,846
Montreal	105,546,685	122,629,952
Ottawa	6,567,156	6,706,697
Kingston	585,081	649,859
Peterboro	529,505	772,793
Toronto	110,417,173	124,770,768
Hamilton	5,044,489	6,384,529
Brantford	734,803	898,400
London	2,576,512	3,137,019
Kitchener	907,795	1,000,067
Windsor	3,255,879	3,721,250
Chatham	....	863,381
Western Cities	**Feb. 4, 1926**	**Feb. 3, 1927**
Ft. William	$ 741,143	$ 743,941
Winnipeg	45,638,288	47,654,065
Brandon	484,714	479,325
Regina	3,188,431	3,439,202
Moose Jaw	1,065,332	1,157,322
Saskatoon	1,790,253	....
Prince Albert	344,315	373,177
Lethbridge	545,649	447,315
Calgary	7,418,337	7,568,390
Edmonton	5,114,052	4,553,636
Medicine Hat	272,436	236,203
New Westminster	744,681	756,374
Vancouver	18,296,457	22,959,378
Victoria	1,872,626	2,170,072

Insurance, Bank & Trust Company Stocks
The Insurance Investments Limited
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Sober Confessions of ex-Bank Man

This Being the Era of True Confessions in Print, This Page Joins in Habit

Adding up columns of figures is part of the daily thrill or the daily grind of the bank man, depending upon his attitude towards this part of his job.

When I started out as a junior in one of the Canadian banks I found it no thrill; it was a grind to me. Even when continued practice gave me a certain facility at running down a column at the rate of about ten feet to the minute and putting down a total that could not be challenged by the ceaselessly vigilant accountant, I could not extract enjoyment from the job.

Adding Up Draft Totals

The most lengthy columns that I had to add were those in a book that went by some such title as the "Bills for Collection Record." Herein were entered particulars of all the drafts upon people in the neighborhood, that I, as combination junior and messenger, had to deliver for acceptance. Part of the job was to keep the totals of these bills. Part of the accountant's job was to check up on my addition.

One day I noticed that he seemed to be able to add up these columns more quickly than he could add up any similar columns elsewhere. Thereafter I watched him closely and soon the light came; I saw that he hated this job as much as I did. I saw that the actual total was unimportant; that the amounts did not go into any statement that had to balance perfectly. And I also saw that he was only going through the motions of adding up the column. He was pretending he was checking my figures. In reality, he was initialing them without check.

Seeing the Light

After that I knew what to do. I made a wild stab at the total the long columns might represent and put it at the bottom of the column. The accountant came along, went through his little by-play, initialled the total and occasionally congratulated me on improving my addition.

But to many men in the banks, adding up figures is a task that calls for all their enthusiasm; it is a challenge to battle and they plunge into the job with zest and zeal.

Such a man must have been he, a former bank man, who now spends idle moments adding up the figures in the balance sheet of the banks and other similar institutions as they appear in the newspapers. Of course, he seldom finds a mistake; in fact, the story is that he has only once found a mistake. The figures published by one of the banks as to its condition on a certain date proved to have a mistake in addition. The ex-bank manager seized upon this and triumphantly bore it to the local manager of the bank in question, where he joshed him at length upon the mishap. But apparently such mistakes happen even in bank statements. One of the largest Canadian banks not long ago published its annual statement with an error in it.

The advent of the adding machine in most of the banks has relieved the harassed staff members of much of their statistical worry, although I am told that some of the banks still balk at putting adding machines in the smaller branches, because it is in these smaller branches that the younger men get their start and it is not desired to rob these juniors of experience in addition.

Staff Gossip

Bernard Cleveland, accountant for the Bank of Nova Scotia for some time, has been promoted and transferred to Saint John.—Press, Woodstock, N.B.

* * *

Roy C. Horton, of the Bank of Montreal staff, Canso, has been transferred to the Bank's branch at Chatham, N.B. Raphael Sullivan of this town has been added to the Canso staff.—Chronicle, Halifax.

* * *

J. Bruce Drake, for the past two years teller in the Ailsa Craig branch of the Standard Bank, left for Forest, to which place he has been transferred.—Banner, Ailsa Craig.

* * *

Percy Wilson, who has been with the Sidney, B.C., staff of the Bank of Montreal for the past two and a half years, expects to leave shortly for Vancouver, to which point he is about to be transferred.—Review, Sidney.

* * *

H. K. Coliver, of Ingersoll, has been transferred to the Stratford branch of the Canadian Bank of Commerce, to take the position of teller, vacated by McKee Irwin, who becomes private secretary to Hon. Dr. J. D. Monteith, Provincial Treasurer.—Times-Journal, St. Thomas.

* * *

E. R. Youngs, St. Thomas, has left for Sudbury, where he has been appointed manager of the Bank of Montreal. Mr. Youngs went to St. Thomas from Bridgeburg as manager of the west end branch of the Molsons Bank, and the present move follows the amalgamation of the Bank of Montreal and the Molsons Bank.

* * *

J. D. McKenzie, for the past six and a half years manager of the Radville branch of the Canadian Bank of Commerce, has received word of his transfer to the management of the bank's branch at Tugaske, Sask. H. K. Baird, recently of the bank's branch at Semans, Sask., will be the new manager at Radville.—Star, Radville.

* * *

H. A. Bailey, who has been manager of the Sudbury branch of the Bank of Montreal, has been transferred to head office of the bank at Montreal, and is succeeded by E. R. Youngs, of St. Thomas. Mr. Bailey came to Sudbury seven years ago, to take over the local branch of the Bank of Montreal, upon the transfer of Mr. Montgomery, for many years manager here, to Nanaimo, B.C.—Star, Sudbury.

* * *

Imperial Bank of Canada announces the following staff changes: G. S. Thompson, formerly accountant, Montreal branch, has now been appointed assistant manager, Montreal; C. E. Grandmaison, formerly assistant accountant, Montreal branch, has now been appointed accountant, Montreal; L. F. A. Johnstone, formerly manager, Dafoe, has now been appointed manager at Golden, B. C., vice F. L. Graban, resigned; J. B. Black, formerly manager at Foam Lake, Sask., has been appointed manager at Dafoe, Sask.; E. M. Wilson, formerly accountant-teller, North Winnipeg branch, has been appointed assistant accountant, Windsor, Ontario.

* * *

One of Edmonton's pioneer bankers, in the person of Alex. Lefort, who has been a local manager for the past 18 years, has been promoted to the head offices of the Banque Canadienne-Nationale at Montreal. He will be succeeded by J. E. Broder, manager at Ponteix, Sask., and formerly in charge at Morinville.

Special honor was tendered Mr. Lefort at the annual meeting of the Edmonton Clearing House association, when he was presented by local bankers with a solid gold pencil as a token of their high esteem and regrets at his departure.

Mr. Lefort came to Edmonton in 1909 from St. Hyacinthe, Quebec, where he had been manager, to take over the Banque d'Hochelaga here. When the merger took place some years ago, he continued in charge of the amalgamated offices at Edmonton.—Journal, Edmonton.

* * *

F. W. Bell, who has been manager of the Bank of Montreal, at Gananoque, succeeding Mr. Lewis some years ago, has received notice of his transfer to the Toronto head office of that institution. He will be succeeded by Mr. Pratt of the London office. While regretting his removel from Gananoque on account of his public spiritedness and interest taken in everything that went for the advancement of tihs town's institutions and well-being and his geniality with the people with whom he came in contact in both a business and social way, his many friends are glad to learn that his ability has been rewarded by promotion.—Whig-Standard, Kingston.

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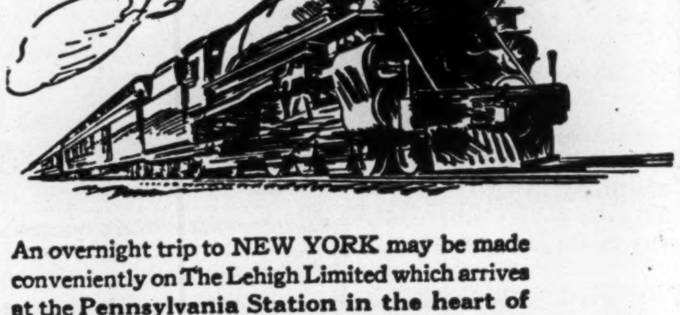

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CHRYSLER CORPORATION OF CANADA, LIMITED
WINDSOR, ONTARIO
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Unbroken Gains
in Insurance, in Assets, in Surplus

Eight Years
The volume of Insurance in Force has grown as follows:
1918 $17,398,195
1919 - 21,338,339
1920 - 25,745,826
1921 - 29,806,174
1922 - 34,460,044
1923 - 42,175,160
1924 - 50,611,214
1925 - 60,404,541
1926 - 72,442,853

In 1926 the Crown Life again registered big gains, maintaining its unbroken record of progress and solidity.

1925 1926
Insurance Issued
$18,566,755 $22,314,509
Insurance in Force
$60,404,541 $72,442,853
Assets
$7,427,821 $8,697,234
Surplus
$855,311 $957,543

Interest Earned 6.81%
—an evidence of careful handling of Policyholders' Funds.

Copy of Annual Report will be sent on request.

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LOWER INTEREST RATES PROBLEM TO LOAN HOUSES

If Companies Have Good 1927, Dividends to go Up

Coming year will be a particularly interesting one for loaning institutions in Canada, particularly mortgage loan companies. A peculiar problem faces them for study.

Problem is this: can they get money from the public, through the taking of deposits and the sale of debentures, at a rate low enough to enable them to meet the declining interest rates on mortgages and leave them at the end of the year with a profit at least as large as they earned in 1926?

Would Increase Dividends

If the companies succeed in meeting the situation, this year there seems no doubt that a number of them will increase their dividend rates in 1928. In the meantime, there has been no general tendency to higher dividend rates although many of the companies would have been justified by their 1926 experience in increasing their rates to shareholders.

A suggestion of the problem before the companies was given at the annual meeting of Huron and Erie Mortgage Corporation when Hume Cronyn, president, said:

"At the shareholders' meeting a year ago, warning was given as to the dwindling demand for mortgage loans in many of our fields, together with increased evidence of keen competition for good mortgage investments and a consequent decline in rates of interest. This condition far from improving during the past twelve months has become even more acute. Life insurance companies with huge sums seeking investment have taken the lead in this direction with the result that rates of interest obtainable two or three years ago upon mortgage security are no longer available. Our Western Canada branches are being faced this year with the request for the renewal of mortgages which heretofore have earned higher rates. These are tested securities, located in good districts, and we must either accept lower rates or take our money. In Ontario, a similar condition prevails.

"On the other hand, while the interest cost of our debentures and deposits shows some signs of reduction, the decline in this direction can not be expected to keep pace with the drop in mortgage rates. Our issues of debentures which now return the investors 5 per cent. per annum, are offered in competition with the yield to be derived from Dominion government and high class municipal bonds which return approximately the same rate of interest."

How Make Up Difference?

If the companies have to renew mortgages at rates of interest that show a greater decline than on their sterling and Canadian debentures, where are they going to make up the difference? Some relief has come from the better collections, leaving a smaller total of assets frozen. Also natural increase in earning power from year to year, through the building up of reserves and surpluses, gives them a larger amount available for dividends. And several companies that took out trust company charters are pushing that end of their business.

In the meantime, many of the loan company stocks are attracting the interest of discriminating investors.

Standard Trusts Puts $50,000 to its Reserve

A return to a dividend paying basis was foreshadowed by William Harvey, managing director of Standard Trusts Company, of Winnipeg, in his address at the annual meeting. Perusal of the annual statement reveals that there is some reason for expecting a not too belated return to dividends. Earnings were increased again; there were no large "write offs" as in previous years and this left a surplus of $40,075. However, a substantial addition, $50,000, was made to reserve, and so profit and loss surplus was reduced by $42,626.

Comparative figures follow:

Profit and Loss

	1926	1925	1924
Earnings	$147,979	$138,257	$124,154
Expenses	95,281	91,323	83,363
Taxes	12,623	10,558	10,666
	$107,904	$101,881	$ 94,029
	$ 40,075	$ 36,376	$ 30,125
Written off	......	36,339	53,669
	$ 40,075	$ 37	x$ 23,544
Reserve	50,000	......	
Balance	x$ 9,925	$ 37	x$ 23,544
Prev. balance ...	52,551	52,515	76,060
P. & L. balance ..	$ 42,626	$ 52,552	$ 52,516

Rate of Earnings

Year	Paid-up Capital	Profits	Div.	% Profits† A. Cap.	Earn. Rt.
1918.	1,000,000	83,785	9	10.9	6.8
1919	1,000,000	111,004	9	11.1	7.5
1920	1,000,000	11,822	9	10.1	6.3
1921	1,000,000	75,450	7	7.5	5.0
1922	1,000,000	56,113	5	5.6	3.9
1923	1,000,000	26,027	.	2.6	2.1
1924	1,000,000	30,124	.	3.0	2.3
1925	1,000,000	36,376	.	3.6	2.9
1926	1,000,000	40,075	.	4.0	3.0

x—Debit.

†—Per cent. capital, reserve and balance at beginning of year.

Mr. Harvey pointed out that the company's investment in bonds of the dominion and provincial governments was increased during the year by fifty per cent., to approximately $150,000.00. Advances to estates were reduced by approximately $100,000.00 or twenty-five per cent. and real estate on hand through foreclosure was reduced from $308,121.00 to $271,923.00, reduction of about thirteen per cent.

Toronto Office Building

It is stated that Harry Rotenberg, builder of the National and Federal buildings, Toronto, will construct another office building in Toronto, on the northwest corner of Bay and Albert streets. Mr. Rotenberg's plan, first announced some months ago, is said to have reached a definite stage.

Ritz Does Better

MONTREAL.—At the sixteenth annual meeting of the shareholders of Ritz Carlton Hotel Company of Montreal, the annual report submitted showed a marked improvement in the business of the company and that the number of guests registered at the hotel during the year 1926, was much greater than that of the preceding year.

Maritimers are Disappointed in B.W.I. Ship Plan

From Our Own Correspondent.

HALIFAX.—The question of who will perform the new Canada-West Indies steamship service is no longer in doubt. According to a declaration made at Ottawa last week by the Hon. James Malcolm, Minister of Trade and Commerce, ships of the Canadian Government Merchant Marine are to do the work; the recommendations made by the Halifax and Saint John Boards of Trade in favor of a private company, having been ignored.

It is only fair to Mr. Malcolm to say that he found himself in an awkward situation—a situation created by the promises which Canada made in the West Indies Treaty—and no doubt he can truthfully say, that having received no response to his call for tenders for the performance of the service to Jamaica, he was forced to the conclusion that if the government were compelled to operate that, they might as well make a job of it by taking on the eastern service as well. But locally it is feared time will prove that this further increase in government operation of shipping needed even a better excuse than that. Besides prospective losses to the Canadian taxpayer, there is the paralyzing effect which government competition must have on private enterprise, and it is surprising that the people of the Maritime provinces have so calmly taken this invasion of a real "Maritime Right"; the right to operate ships without interference from government-owned shipping.

It is foolish to ignore the long distance view of a question of this kind. Maritime provinces people, have but a few ship operating companies today, and yet who will say that 50 years from now, as Canada's population and business increases, they might not with a fair field become large operators of shipping? But who among them will care to venture now since at every movement there would be danger that his business would be ruined by the competition of government-owned ships. Maritimers wonder what the history of England's steamship business would have been if along about the middle of the last century the British government had done what our government is doing at the present time.

THE NATION'S BUSINESS

(Continued from page 1)

bellious Irishmen,' is not bringing about the unity which the negative talks so much about."

Mr. King was sound in this view, but his obvious reference to Mr. Bruce did not do anything to bring further inter-Empire unity.

* * *

EDITOR of the North Sydney Herald, published down in Cape Breton, criticizes The Financial Post for having stated, in a discussion of the Imperial Conference, that Canada has been very apathetic in connection with Imperial trade.

The editor asks:

"Who 'admits' that 'Canada has been very apathetic' in this matter? Nobody who has any knowledge of the matter and who wants to be fair. It was Canada that started the giving of a tariff preference to British goods, and that under Liberal governments has from time to time enlarged and extended that preference to the encouragement of trade with Great Britain, and this without Canada asking or expecting any quid pro quo. Canada also made a preferential trade treaty with Australia to encourage trade with that Dominion, and also a similar treaty with the British West Indies to build up mutual trade between Canada and those British possessions as well as a trade treaty with New Zealand."

* * *

THE editor of the North Sydney Herald is quite right in historical references. Canada did take the initiative in inaugurating Imperial preference. Both Sir Wilfrid Laurier and his Finance Minister, Hon. Mr. Fielding, announced at the time, however, that it was only a beginning; they hoped it would point the way to further developments, which would open up markets in Great Britain for many things which Canada could produce and which were being imported from other countries.

It cannot be too often emphasized that the British Empire comprises one-quarter of the world's population and occupies territorially a quarter of the earth's surface. It has the largest buying power in the world. It possesses the greatest variety of natural resources and has the widest range of production. Canada is particularly well situated to produce much that other parts of the Empire require and stands to benefit greatly from any scheme of Imperial preferences.

* * *

IN SPITE of the fact that Canada initiated Imperial preference, we have been very apathetic in following up this important question since our initial work. Our delegates to the recent Imperial Conference showed no appreciation of the tremendous importance to Canada of further development along this line.

At the previous Conference in 1923, an Imperial Economic Committee was appointed, to consist of representatives from each component part of the Empire. For some time Canada refused to appoint a representative. Later on we did make an appointment but we have taken only a half-hearted interest in it. This committee should be able to work out some practical methods for the extension of inter-Empire trade. This can only be accomplished, however, by our government showing a whole-hearted interest in the matter, and so far there has been little evidence that this is being done.

Trade is not altogether a matter of tariffs. Merchandising methods, guarantee of uniform quality, transportation, good-will and publicity are even more important. There are some things the government can do which cannot be done by the individual. It is along these lines the present government and their predecessors have been apathetic.

RURAL CREDITS BILL LIKELY TO PASS BUT MAY NOT BE OPERATED

(Continued from page 1)

the western farmer has improved his constant pleas for more credit have slackened somewhat. This, together with the fact that the rural credits plan of the government leaves unsolved the problem of "intermediate" credit—credit half way between that supplied by the banks and that supplied by the loan companies—is likely to make the rural credits bill a somewhat futile and ineffective bit of work.

Disappointed at Rate

Western farmers have learned, too, by this time, that this paternalistic legislation of the Dominion government will not give them money as cheaply as they want it. Somehow they felt that government controlled rural credits would give them money at about 5 per cent., which would be about what the government would pay for the money needed to run the scheme. They expected the government to absorb the entire operating expense, which was originally fixed at one per cent., but which, it is apparent, would run at least to 1½ per cent. and possibly higher. This meant that loans could not be made at less than 6½ per cent., while the rate mentioned was seven per cent. The fact of the matter is that the Western farmer can get all the money he needs at seven per cent., where the western provinces clear the decks of prior liens of an unfair nature.

Eliminate Liens; Save On Loans

This is shown by the policy now being followed by one of the largest Canadian loaning companies in its operations in Alberta, where prior liens created by provincial government legislation have undermined the whole system of mortgage credit. This company now makes loans in Alberta at eight per cent. interest and provides that when the interest is paid promptly on the due date and a statement is at that time supplied, indicating that all taxes and other charges that would accrue against the property as a charge prior to the mortgage, have also been met, it will make a refund of one per cent. on the interest payment—½ per cent. each six months—which sum is credited against the principal amount of the loan. Thus the farmer who allows his taxes, seed grain advances and other accounts to get in arrears and rank ahead of his mortgage money, pays eight per cent. while the farmer who continues to give the loaning company the same security it could get in Ontario on a farm mortgage, pays only seven per cent. which is not one whit higher than the rate that would have to be charged under the government scheme.

Some Details of Bill

The rural credits measure which was passed last year by both commons and senate, but which failed to receive vice-regal signature before Parliament dissolved, provided for granting of long term credits to farmers through Dominion government cooperation.

Provision is made for the formation of a Canadian Farm Loan Board to make farm loans. The board is empowered to issue farm loan bonds and to utilize the proceeds from the sale of the bonds to make loans on first mortgage on farm lands in Canada. Capital is also to be supplied the board by the subscription of an amount up to $5,000,000 by the Dominion government to its capital stock. For the first three years, no interest is be paid to the government, which would really be bonusing the board to this extent. This is provided in order to cover organization expenses. After three years any money subscribed by the government is to draw interest at the rate of five per cent. annually. In addition, the government is to purchase stock to the amount of five per cent. of all loans made. Each province where loans are made is required to buy stock to the extent of five per cent. of the loans and an additional five per cent of the amount of the loan is to be taken out by the borrower in the form of stock. This makes the enterprise really a cooperative one between different borrowing farmers, and provincial governments and the Dominion government. A further purpose of the stock subscriptions would be to provide additional security for the bonds issued. making them attractive to investors at around five per cent., without Dominion government guarantee.

Farmers will be permitted under the act to borrow up to 50 per cent. of the board's appraised value of their lands and 20 per cent. of the value of permanent insured improvements. The limit of loans to any one person is fixed at $10,000. Money may be borrowed to purchase farm land; to purchase fertilizers, seed, live stock, tools, machinery and equipment; to erect buildings or make improvements or to pay off debts. Loans are to be made at a rate that will cover the cost of the borrowings of the board from time to time, plus an amount to cover expenses and reserves.

The rural credits measure can not become operative in any province without the consent of the province. There must first be executed an agreement with the province that it will purchase capital stock to the extent of five per cent. of the loans made in the province. Provision is made for provincial boards to act as agents in the making of loans.

After a reserve fund has been created out of net earnings, equivalent to twenty-five per cent. of subscribed capital stock, dividends may be paid on capital stock but dividends accruing to borrower-shareholders will be placed to their account for the repayment of their loans.

FOREIGN EXCHANGES

Gold Shipments Come from London

Conducted by S. J. ZACKS.

Although there has been spectacular activity in a few of the exchanges, business in the foreign exchange market as a whole has been slack. Pesetas alone gave indications of speculative activity. With the franc stable, the lire practically motionless, Norwegian approaching within a short distance of parity, milreis in process of stabilization, yen almost at par, and the gold exchange moving narrowly, interest in foreign exchange is distinctly limited.

Further gold shipments from London to New York are reported. These are largely accidental, and are not brought about solely by the fluctuation in foreign exchange, but rather by a combination of circumstances, such as price of gold, fast steamship service, lower freight rates, insurance cost, as well as exchange quotation. As a matter of fact, sterling hovered about $4.85, a figure usually above the gold export point. Shipments of gold from London have become so profitable of late that several steamship companies are said to be competing for the business, and lower rates have come into being. The gold shipments from London are purely scalping operations, which must be distinguished from gold movements which follow the usual commercial factors. The chief factor responsible for the last gold shipment was the decline in the price of gold in London at an instant when other factors favorable to the shipment were present.

Lower Rates May Come

London is extremely disappointed over the gold shipment and general weakness in sterling, as well as the uncertainty of money rate charges in New York. If the New York federal reserve discount rate were reduced, doubtless short time balance would again move in great abundance to London, and London money rates would have chance to ease further and relieve business. At present, conditions are not normal in London, and New York has a belief that lower money rates will prevail there. England has not recovered from the effects of the coal strike. The Chinese situation is regarded as perilous in certain quarters. There is, furthermore, general agreement that the present low level of sterling is caused by the fact that sterling has lost its normal resiliency at this period of the year, mainly because of Britain's adverse balance of trade arising from the coal strike.

Permanent improvement appears to rest upon the relative position of the New York and London discount rates. Unquestionably, British business could well stand lower money rates, but the level has to be taken in New York.

When the franc began to decline last week, rumors appeared that the Bank of France was withdrawing its support. These rumors have been dispelled. The foreign exchange market is still absolutely controlled by the bank, and the decline in the franc was intended.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Feb. 3	5-32	5-32	13-64	13-64
Feb. 4	5-32	9-64	1-4	13-64
Feb. 5	5-32	9-64	17-64	15-64
Feb. 7	5-32	5-32	9-32	17-64
Feb. 8	5-32	5-32	3-8	9-32
Feb. 9	5-32	5-32	29-64	13-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Feb. 3	4.84⅝	3.93¼	4.27⅝
Feb. 4	4.84 9/16	3.93	4.07½
Feb. 5	4.84 9/16	3.93	4.27
Feb. 7	4.85⅝	3.90⅞	4.25¼
Feb. 8	4.84⅝	3.92⅞	4.28
Feb. 9	4.84⅝	3.92⅞	4.27¼

FOREIGN EXCHANGE

Par		Feb. 2	Feb. 9
19.30	Italian	4.28	4.29
32.45	Brazilian	12.12	11.85
23.82	German	23.74	23.74
19.30	Belgium	2.79	2.79
84.85	Japan...	48.90	48.90

QUEBEC POWER COMPANY

Notice is hereby given that a dividend of One and three-quarters (1¾%) per cent. has been declared on the Common Stock of the Company for the quarter ending March 31st, payable April 15th, to shareholders of record March 31st, 1927.

By Order of the Board,
JAMES WILSON,
Secretary.
Montreal, February 8, 1927.

Dividend Number 159

HOLLINGER CONSOLIDATED GOLD MINES, LIMITED

(No Personal Liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 25th day of February, 1927, on which date cheques will be mailed to shareholders of record at the close of business on the 9th day of February, 1927.

Dated the 2nd day of February, 1927.
I. McIVOR,
Assistant-Treasurer.

International Petroleum Company, Limited

Notice of Dividend No. 13

NOTICE is hereby given that a dividend of 25c. United States Currency per share has been declared, and that the same will be payable on or after the 15th day of February, 1927, in respect to the shares specified in any Bearer Share Warrants of the Company upon presentation and delivery of coupons No. 13 at the following banks:

The Royal Bank of Canada,
60 Church Street, Toronto 2, Canada.
The Farmers' Loan and Trust Company,
22 William Street, New York, N.Y.
The Farmers' Loan and Trust Company,
15 Cockspur Street, London, S.W. 1, England.
OR
The Offices of the International Petroleum Company, Limited,
56 Church Street, Toronto, 2, Canada.

The payment to Shareholders of record at the close of business on the 7th day of February, 1927, and whose shares are represented by registered Certificates will be made by cheque, mailed from the offices of the Company on the 14th day of February, 1927.

The transfer books will be closed from the 8th day of February, to the 15th day of February, 1927, inclusive, and no Bearer Share Warrants will be "split" during that period.

By Order of the Board,
J. R. CLARKE,
Secretary.
56 Church Street, Toronto, 2, Canada,
31st January 1927.

Reliance Assets Holders of Preferred to be Paid

Preferred shareholders in Standard Reliance Assets, Ltd., so far have been paid 60 cents on the dollar, and it is hoped ultimately that they will be paid in full, with some interest. The common shareholders, in all probability, will get nothing.

Standard Reliance Assets, Ltd., was organized in 1919 to take over the assets of the Standard Reliance Loan company, which found itself in difficulties. These assets, having a book value of more than $6,000,000 were in such form that they could not be realized on immediately.

Depositors and holders of debentures of Standard Reliance became preferred shareholders in Standard Reliance Assets.

56 YEARS AN AGENT

Gore Mutual Makes Presentation to Dean of Representatives

The outstanding event of the annual meeting of the Gore District Mutual Fire Insurance Co., held in Galt this week, was the presentation made to John Sutherland, dean of Ontario fire insurance agents. Mr. Sutherland has earned this title by reason of fifty-six years of continuous and faithful service in the employ of the company which he now represents. He entered the service of the company on March 18, 1871, and, after a short period at the head office, he moved to Guelph to take up his duties as agent. For twenty-five years now he has alone maintained a wide territory extending from Guelph to the lakes. The presentation was made by Hon. Lincoln Goldie, president of the company, and took the form of a silver tea service.

Farm Manager

Agricultural college graduate at present in business is looking for a position as farm manager. Thoroughly experienced in various branches of farming.

Box 513, FINANCIAL POST,
Toronto 2, Ont.

Dividend No. 9

The Keeley Silver Mines, Limited

(No Personal Liability)

Notice is hereby given that the regular half-yearly dividend of 8%, plus a bonus of 4%, has been declared payable on March 15th, 1927, to shareholders of record at the close of business February 28th, 1927. The transfer books of the Company will be closed from March 1st to 15th, both days inclusive.

By order of the Board.
R. S. DENING,
Secretary.
Toronto, February 4th, 1927.

Business Opportunities

PORTAL—New mining town, Portland Canal District, British Columbia. First offering Business and Residential lots. Low prices with big profits assured. Openings for all kinds of business and amusements, hotels and restaurants. Free circular for the asking.

Portal Townsite, Limited,
405, Dominion Bank Building,
Vancouver, B.C.

Imperial Oil, Limited

DIVIDEND

NOTICE is hereby given that a dividend of twenty-five cents (25c.) per share, and a special disbursement of twelve and a half cents (12½c.) per share have been declared by the Directors of Imperial Oil, Limited. The same will be payable in respect of shares specified in any Share Warrant of the Company within three days after the Coupon Serial Number NINE (9) of such Share Warrant has been presented and delivered to:

The Royal Bank of Canada,
Toronto, Ontario,

or at the office of:

Imperial Oil, Limited,
56 Church Street,
Toronto, Ontario,

such presentation and delivery to be made on or after the

1st day of March, 1927.

Payment to shareholders of record at the close of business on the 15th day of February, 1927 (and whose shares are represented by Share Certificates) will be made on or after the 1st day of March, 1927.

The books of the Company for the transfer of shares will be closed from the close of business on the 15th day of February, 1927, to the close of business on the 28th day of February, 1927.

By Order of the Board,
T. C. McCOBB,
Secretary.
56 Church Street,
Toronto, Ontario.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of MARCH next, to Shareholders of record of 31st January, 1927.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR,
General Manager.
Montreal, 21st January, 1927.

The Royal Bank of Canada

DIVIDEND No. 158

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Tuesday, the first day of March next, to shareholders of record at the close of business on the 31st day of January.

By order of the Board,
C. E. NEILL,
General Manager.
Montreal, Que., January 14, 1927.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank for the election of Directors, and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 11th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,
S. H. LOGAN,
General Manager.
Toronto, November 26th, 1926.

WAYAGAMACK PULP & PAPER COMPANY, LIMITED

Dividend No. 8

Notice is hereby given that a Dividend of Seventy-five Cents (75c.) per share has been declared on the No Par Value Common Stock of the Company, for the quarter ending February 28th, 1927, payable March 1st, 1927, to Shareholders of record at the close of business on February 15th, 1927.

By order of the Board,
D. L. ADAMS,
Secretary-Treasurer.
Montreal, Que.,
January 20, 1927.

SMALL BOND HOUSE

wanted to handle the financing of a new Food Packing Company with assets of $250,000 and no liabilities.

Box 515,
FINANCIAL POST,
Toronto 2, Ont.

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Tuesday, March 1, 1927, for the right to cut the Pulpwood and Log Timber on the South two-thirds of the Township of Menapia, the Township of Beniah, and the Southwest quarter of Thorning Township, in the District of Cochrane.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. D. J. Spence, Crown Timber Agent, Cochrane.

W. FINLAYSON,
Minister of Lands and Forests.
TORONTO, January 21st, 1927.

N.B.—No unauthorized publication of this Notice will be paid for.

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Canadian Mining News

Featuring Quebec Stocks

THE FINANCIAL POST

Vol. XXI. PUBLICATION OFFICE: TORONTO, FEBRUARY 11, 1927 No. 6

Boundaries of Possible Quebec Mining Area Are Steadily Pushing Back

Important Finds Have Been Made in Great Many Townships

POSSIBILITIES GREAT

Several Important Townships, 100 Miles Square, Centre Around Rouyn—Others North

Efforts have been made to define the mineralized area of the Northwest Quebec section with little success. The reason is that the moment someone sets up a boundary someone else immediately proceeds to knock it down with a new discovery outside the area defined.

In other words, there seems, at the moment, no limit to the area in which copper discoveries have been made. Some have set up the boundaries of a definite mineralized zone around Mountbray, Duprat, Boischatel and Rouyn, with some measure of success, but in doing so, they are passing up fully half the attractively indicated area. For instance, Clericy, Destor, Dufresnoy, and the large area north of the transcontinental must not be ignored, as well as the gold area in Cadillac and Malartic and the section south of the copper belt in the main section of the field.

Discoveries Are Many

The discoveries to date have been over a wide area, much wider in fact than most people think. A look at the map of the Rouyn area is quite deceptive. Distance, as we have pointed out elsewhere is a great factor, and is to be remembered when some individuals start boosting some property because it is in close relation to another. This may not mean a thing.

Discoveries of copper have been made in Montbray Tp., where Nipissing has made an excellent discovery and where Coniagas, Mining Corporation, Consolidated Smelters, Pioneer and others are working. In Boischatel where Towagamac, Arntfield, Tonopah, Montchatel, Vickers, Ribago, Coniagas, Timmins, U. S. Smelters and others are working. In Rouyn where there is a host of promising enterprises all basking in the light of Noranda's success. In Duprat, where Waite and Amulet straddle the boundary of Dufresnoy and Duprat, Corona, Nipissing, Duprat Lake Shore and others are to be found. In Dufresnoy where Grover Daley, Area, Newbec and McDougals Cassels, stand out. Thus is covered but four townships. The fact to be remembered is that these townships are ten miles square and that for one property that has come into the limelight, or perhaps one acre, there have been dozens that have been overlooked because they have been held by big interests or companies that have not as yet got around to opening them up.

Another section that has suffered from the lack of real news has been Clericy, because of the fact that there

(Continued on page 37)

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PERSONAL SERVICE

He Started It

ED. HORNE

He staked the Horne property now being developed by Noranda and which launched the Rouyn Que. Camp in a big way. He is now wintering in California

ROUYN WILL HAVE 100 OPERATIONS IN FULL SWING SOON

Railway Rushing in New Equipment and Big Summer is Expected

The coming summer will be the first in which the Rouyn camp has enjoyed the blessings of rail transportation, and it is likely to see over 100 mining operations working actively.

The new C.N.R. line into Rouyn is hauling a lot of freight these days. New concerns that plan an aggressive exploration of their ground during the coming summer are rushing in supplies now so as to have the advantage of snow roads in getting their equipment from the railroad to the property. Distances, as is pointed out in several instances in this review of the camp, are tremendous, and while some of the trails are fair, the majority in the summer are almost impassable for wagon transportation. In the winter they are able to cut distance in two by taking trails over frozen muskeg which in the summer is nothing but water.

Test Out Many Groups

The coming summer's activity will be scattered over a wide area. The winter's work from the electric surveys now under way, as well as those that are contemplated, will mean a tremendous amount of diamond drilling, while numerous surface showings of chalcopyrite which warrant sinking operations, will be attacked aggressively. It is believed that in plants, equipment, supplies and wages, the expenditure in Rouyn this year will soar to new high levels. It is a big camp and big money is needed.

HIGH GRADE ORE OF ROUYN OBVIATES MARKET PROBLEM

Gold and High Copper Content Gives Edge in Costs

CAN EASILY COMPETE

With Copper That May Average 15 P.C. Can Easily Withstand Falling Market

Are the mines of Rouyn going to have a market problem? Will it be possible for them to find a ready market for the copper and zinc produced?

Indications are that the zinc production will rank third, perhaps fourth to copper, gold and silver. The only question then is that of a copper market.

Copper will have to drop very materially lower than the present level of around 14 cents to embarrass such an operation as Hollinger. The reason for this is the high grade ore.

Rouyn copper, if it averages 15 per cent., may prove embarrassing to other copper operations, if a tremendous tonnage is produced and the market weakens. The great producers of the world have a much lower grade ore than that of the known deposits of Quebec. What is ore to other copper operators is not being considered at all by the Quebec people. Besides the material gold content in the ore is going to be a tremendous factor in production costs, especially in a dropping copper market.

WRIGHT HARGREAVES MEETING

The annual meeting of Wright Hargreaves mine has been called for Feb. 23, in Buffalo.

Will Watch Deep Tests of Rouyn

How deep will the copper values in Rouyn carry?

This is an all important question. Some considerable time will elapse before this question is answered. For instance Porcupine was found in 1907 and no one knows as yet how deepseated the deposits are.

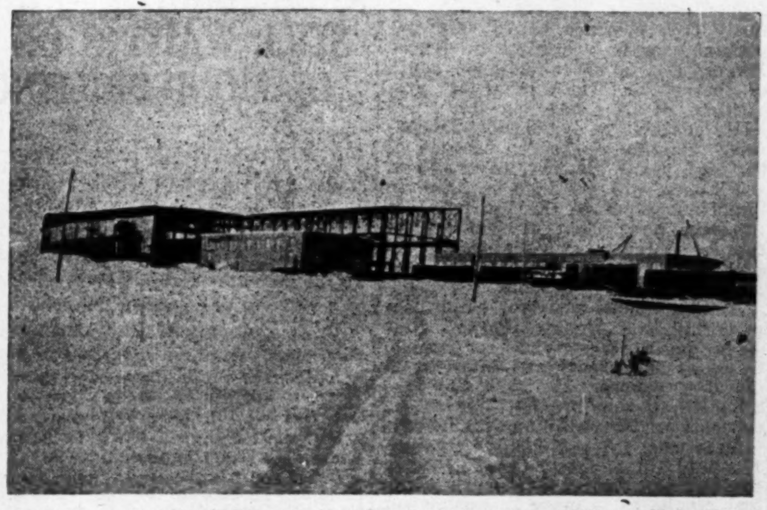
The coming summer should see steps taken to test out down to perhaps 1,000 ft. Noranda's new shaft is about ready. When the new mining equipment is in place a start will be made to push the new shaft downward below the 300-ft. level. Diamond drilling has been done down to 740-ft. and the core indicated a continuation of the geological structure to that level.

Geologists say that the Rouyn deposits are replacement and for this reason they are satisfied that the ore bodies are deepseated.

Noranda will soon have 25 drill capacity. The mine was opened up and proved with five drill capacity.

Noranda Will Not Produce Until on in Coming Year

Noranda's Smelter Rears Its Head



Many expect that the big Rouyn smelter will be producing this year. This is unlikely. The above cut shows part of the steel structure. It is not more than half erected. The storehouse and blacksmith shop are seen in the foreground.

Big Smelter Cannot be Completed and Tuned Up Until Early in 1928

PLANT HUGE ONE

Tremendous Amount of Surface Construction Remains to Link Up Various Units

Noranda's smelter will not be producing until 1928.

There seems little hope that the big plant will be ready to operate this year. A considerable time ago Dr. H. C. Cooke, Geological Survey, Ottawa, said that it would be early in 1928 before the smelter would be ready. Many did not take this seriously. To visit the property and go over the tremendous amount of work that remains to be done before the surface plant will be ready, shows one that operations will have to be at a tremendous pace to achieve production within a year.

Great Surface Plant

The surface construction at Noranda is of great magnitude. The new shaft head has been built up fully 20-ft. above the surface, and it is the intention to fill up to this level. The tramline from the shaft to the crusher house, 750-ft. southwest, will be on the shaft level. The tramway will be closed in. The idea in establishing the crusher house so far from the shaft, is that it was desirable to have the crushers at a point easy of access for cars of custom ore. At that there will be just a fair grade from the main spur line. Two sets of crushers with self-cleaning bins are being installed, and these crushers will handle both Horne and custom ores. From the crusher house there will be an extensive conveyor system to the storage house some 200 feet away, and at some point along this there will be a sampling station established. All the ores, Horne and custom, will go into the same storage bins.

Some Buildings Ready

When the writer visited the property recently, the foundation work of the crusher house had been completed. A start had not yet been made on the ore tramway over to the crushers from the shaft. Foundations for the new steel sharpening plant, change house, etc., had been laid, but the superstructure of these had not been started.

At the smelter, the blacksmith shop and storehouses, built of brick, have been completed. The steel superstructure for the packing room of the smelter has been about completed and a fair start had been made on the smelter proper, but the work on the large 50,000 ton ore storage had not been started. This will all be one building, but the sections of it are quite well defined.

Big Summer's Work

It will be a big summer's task to get these structures completed. Material is coming in steadily. When the building is ready it will take no little time to get the machinery all set up, and then will come the tuning up process, getting the smelter down to a proper running basis and by the time that is accomplished it is expected that 1927 will be a thing of the past.

Noranda People Eager to Drive New Shaft to Test Out Mine at Depth

Meanwhile Very Intensive Exploration of Third Level is Going On — Diabase Dyke Area Being Riddled With Diamond Drill Holes

High grade copper ore bodies are not as spectacular as are some of the wide gold veins of the Hollinger, where they are shot with free gold, but they are, nevertheless, quite thrilling and attractive to the lay eye. The writer recently spent a half day underground at the Noranda, traveling steadily through the underground workings. Even at that only two levels, the first and third, were visited.

There are about two miles of underground workings on the Horne to-day. This does not seem a great amount when compared with Hollinger's 65 miles, but when one considers the time it was achieved in, the location of the property which limited the equipment and the amount of ore it put in sight, it is to be considered a notable achievement.

Ore Bodies Extensive

The Horne ore bodies are quite extensive on the first and third levels and the high grade bodies of chalcopyrite, the copper ore, stand out in bold relief where they appear in contact with the other rocks. On one side the contact rock will be the large diabase dyke which seemingly cut the ore bodies in two. Whether it did or not is a geological problem about which there exists considerable difference of opinion. In other cases the chalcopyrite is against the green stone and the strong golden tint stands out in bold relief.

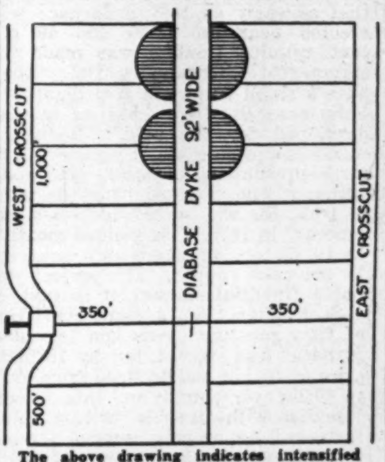
How Big is Horne?

How big a mine is the Horne is a question that has been frequently asked. It is a question that no one can answer. The operation is still very much in the exploratory stage. There are now seven ore bodies, A to G. Five of them are very large, A to E. Their size has been commented upon at various times, but all that is known about them is that they exist on the three levels opened up. One of them is known to persist to a depth of 740 ft., for it has been cut by diamond drill to that depth. The big interest in Noranda to-day is the question of depth, and this will not be answered until some time later in the year, when sinking operations should reach a good deal deeper level than exists at the mine to-day.

By spring, the new Noranda shaft will be completed and the equipment installed to allow for launching of sinking operations, and this is one thing that the management is eager

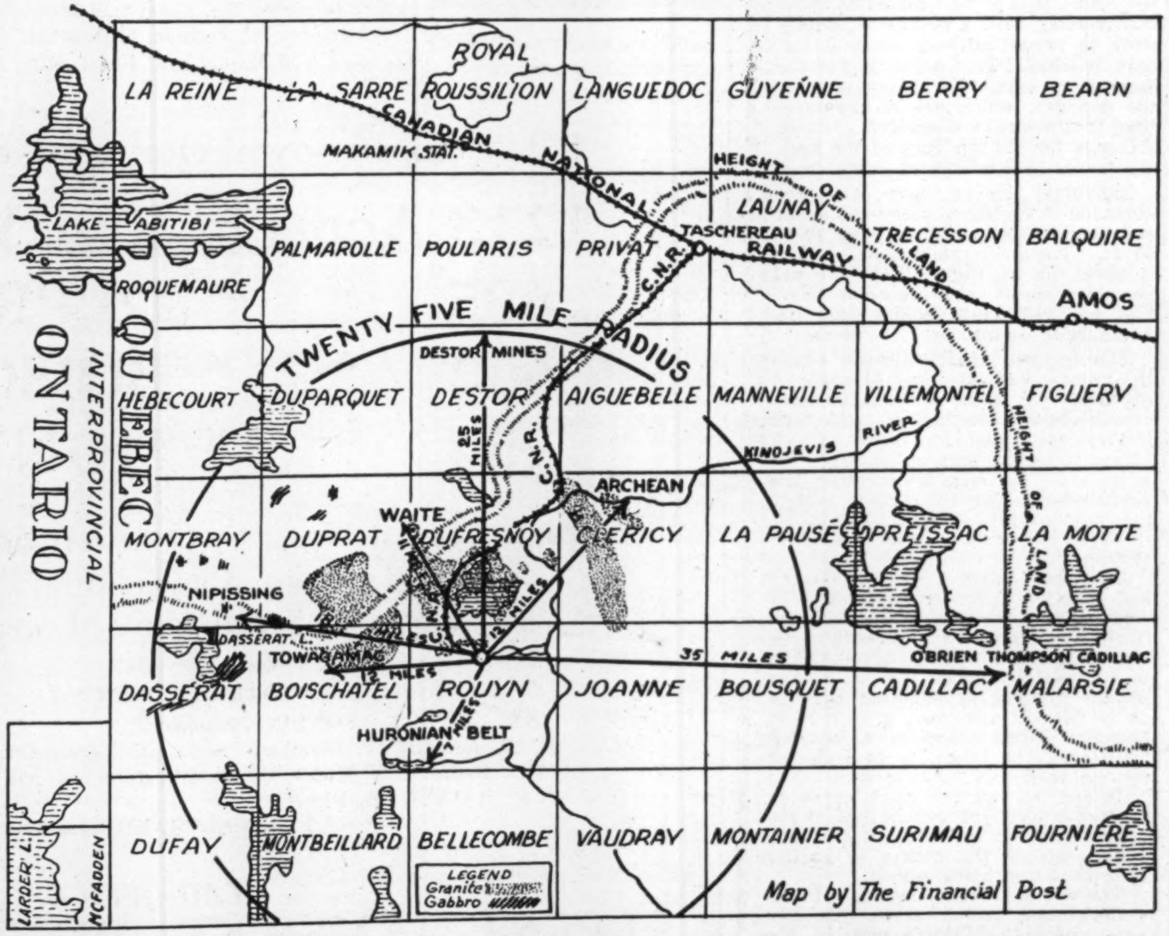
(Continued on page 37)

Horne Third Level



The above drawing indicates intensified effort being put forth by Noranda on the third level of Horne property. The area is being literally shot full of holes. In the centre is tthe diabase dyke. 350-ft. each side is a long crosscut and the horizontal lines represent diamond drill holes being driven in every 100-ft. from both crosscuts. The shaded sections indicate how the A.B. C.D. ore bodies lie in relation to the dyke. They are not in their proper relative positino in regard to the north boundary.

Rouyn Copper Area Steadily Expands Its Boundaries



The above map shows two things. The distance between important discoveries. This evidences the extent of the known mineralized area. In addition there is the important section along the transcontinental where Jay Copper, Abana and other important operations are located. Two other facts are emphasized. One is the height of land, the importance of which was so well indicated in the recent C.N.R. booklet; and the other is the granite intrusions. It is around the contacts of these intrusions—within reasonable distance. that the chalcopyrite discoveries are being made. In showing distance the centre of the 25 mile circle is the Horne mine.

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SHERBROOKE AREA ONCE HOME OF BIG COPPER INDUSTRY

Since 1865 Nearly Hundred Mining Concerns Have Operated There

ONLY ONE NOW

Eustis Mine Has Been Operating Almost Continuously Since Year 1879

While all the attention is focussed on Rouyn area and its possibilities as a copper producer, few realize that already that province has a very important copper operation in Eustis Mining Co., a short distance south of Sherbrooke. The coming into production of Noranda smelter will likely continue to overshadow this already existing operation, because of the high grade ore, but, nevertheless, the Eustis will continue to have an important place in the province. It produces now about 300,000 lbs. of copper concentrate, assaying 22 per cent. and a pyritic concentrate, carrying 50 per cent. sulphur.

A. B. Parsons, assistant editor Engineering and Mining Journal, New York, on a recent visit to Canada, called at the Eustis and later wrote his impressions. He says that the adoption of selective flotation at the concentrator, whereby an alkaline circuit is used for the copper recovery, the pulp subsequently being acidified to float the pyrite, gives such excellent results as to make it possible for the property to be operated profitably at prevailing prices of copper and pyrite. He says a thriving copper mining industry in the Eastern Province of Quebec was virtually destroyed by the collapse of the copper market at the close of the war—not in 1919, but in 1865. In July, 1864, copper reached a maximum of 59¾c. per pound: within twelve months the price dropped to 29½c., and coincidently wiped out the profits of a score or more copper mines in the region around Sherbrooke. Since 1865, probably a hundred mining companies have dug away at several hundred copper deposits in Quebec, but without making real headway from the standpoint of profitable exploitation. Besides the Eustis, one other mine, the McDonald, operated by the Weedon Copper Co., produced on a sizeable scale during the period of high prices from 1915 to 1918, but it dropped out of the picture in 1919.

The Eustis mine, formerly the Lower Canada, Hartford and Crown, has been operated continuously since 1879 and except for brief interruptions since its discovery in 1865. It was reputed in 1915 to have produced up to that time more than 1,000,000 tons of ore, and since then about 750,000 tons has been mined.

A brief history of the property appears in a report on the copper deposits of the province made for the Quebec Government in 1915. It seems that as early as 1869 a furnace was erected near the mine and 40 per cent. regulus (matte) was made for shipment to Bergenport, N.J. Likewise a small sulphuric acid plant was built near St. Johns, but no market developed for the acid. Reduction works comprising about eighty "burners"—presumably roasters—and sixty furnaces were erected near the mine to treat the ore by "Henderson's wet process" in 1876. This yielded monthly 65 to 75 tons of precipitate assaying 75 per cent. copper. The project was not a financial success, it is said.

Soon after 1880, a plant consisting of fifty roasting ovens and two blast furnaces was erected, but by 1885 the price of copper had declined from 19.12 to 10.83c. per pound; and this, in conjunction with trouble with "smoke farmers," apparently stopped production for a time, though operations did not cease entirely. In 1894 copper brought only 9.5c. per pound, and the Eustis mine reduced its staff by more than half! One hates to contemplate what would happen to-day if copper should decline to 9.5c.

In 1905 the first crushing and concentrating plant was built at the mine, with a capacity of twelve tons of feed per hour, but it was rebuilt immediately. Later, experimental work developed a flow sheet that was effective, and by October, 1923, alterations to the concentrator had been completed and production was resumed.

Essentially, the orebodies are a series of lenticular masses arranged like the rungs of a ladder and inclosed in sericitic schists, described as being the metamorphic equivalents of quartz porphyry. The strike of the schists is northeast, whereas the dip to the southeast ranges from 25 to 70 deg. A report on "The Copper Deposits of the Eastern Townships of the Province of Quebec," by J. Austin Bancroft, declares that petrographic studies show plainly that the orebodies have been formed by processes of replacement. Especially the feldspar and quartz have been replaced by sulphides. Pyrite, sphalerite, galena, pyrrhotite, and chalcopyrite were developed in the order named. The first and last mentioned are predominant. A very little gold and silver are found.

There appears to have been two stages of ore deposition: the first brought pyrite with little copper; the second was rich in copper. The later invasion progressed along zones of weakness in and near, and presumably created by, the first or pyritic penetration. For the most part the chalcopyritic ore agencies ascended within one of the pyritic lenses; but where the pyrite was particularly dense, the course was frequently diverted so as to penetrate the schist at the side of the pyrite, or, toward the edges of the lenses, to proceed along the same planes of schistosity.

Apparently, at times, the pyritic injection met with such severe resistance in separating the foliations of the schist that it was forced to move transversely until a plane sufficiently weak to permit advance along it had been reached. This accounts for the eschelon or ladderlike arrangement of the deposits, which are at the same time continuous or connected. It also accounts for the tendency of the various lenses to converge at depth.

Individual lenses have averaged about150 ft. in length along the strike and attain a thickness ranging up to 60 ft. The lowest lens now worked is about 400 ft. high. Walls are not sharply defined, the orebodies passing gradually into schist carrying diminishing quantities of sulphides.

The inclined shaft through which the mine is worked slopes at angle of about 35 deg. down to the 3,500 level (measured on the incline) and then flattens to 45 deg. for 200 ft., which brings it to the present bottom. An adit, 1,000 ft. long, intercepting the shaft 500 ft. below the surface, is now the main operating level. The 3,700-ft. depth is calculated from this intersection.

Until two years ago little timber had been put in the mine, but at that time parts of the shaft were timbered. Shrinkage stopes have recently been started, and this method of mining is to be used hereafter instead of the former practice of shooting the ore on to the sill and loading with hand shovels. When necessary a footwall "slice" will be taken, to be followed by one from the hanging wall. Not only are the two principal lenses on the lower levels producing, but in the upper workings portions of the orebodies left in the course of earlier operations are being mined.

The ore is hoisted in skips to an underground pocket above the adit level, hauled to the mouth of the adit by electric locomotives, and lowered by means of a balanced surface tram in trains of three four-ton cars to the receiving bins at the mill.

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Will Noranda's Ore Bodies Connect Below?

Will all the ore bodies on Noranda ultimately connect into one joint ore body at depth?

This is a possibility. The ore bodies are close together. It looks as if those on the west of the diabase dyke A.B. and D.C. now 4 in number were once two.

Will the dyke disappear at depth and these joint ore bodies connect? If they do, it will make for tremendously cheap mining and reduce the mining costs to a negligible point per ton.

AREA, AMULET ARE STILL WAITING ON DIAMOND DRILLING

Check on Electrical Survey by Drills Has Not Been Accomplished Yet

Diamond drilling on area to check up the indications of sulphides secured by electrical prospecting, has not met with success as yet. It is understood that some sort of checking is going on.

At least two holes have been started. Now a trench is being put down through the 30 ft. of overburden and a new drill hole will likely be started when this is accomplished.

There seems to be an idea abroad that the results of the electrical survey were rushed out so as to participate as quickly as possible in a market play. This may or may not be a fact, but it is evident that something is wrong, as the writer found that practically all the engineers in Rouyn were solid for the electrical survey.

Anyway Area and Amulet had the market play and so far they are without results to justify it. The public has been soured; much loud talking is going on and complaints are being made to Queen's Park. This may never get anywhere. No matter the outcome it would be hard to convince the public that it was not fooled.

Amulet has a material amount of proven ore, high in zinc and copper, and some further showings to work on. It will come back some day. Operations are delayed pending a final conclusion on the electrical survey results, for if these proved attractive at all, it would certainly alter Amulet's mill plans. Area must make good on the electrical survey or step into the background for some considerable time.

ONTABEC MADE 3 EXCELLENT DEALS ON LARGE GROUPS

Company Has Now 13 Properties Sold or Optioned to Strong Interests

An important mining deal has been closed in Montreal, whereby the Stadamac Mines Limited of Montreal, purchased the well-known Ontabec property Number 5, situated slightly North-East of Noranda.

This particular property has revealed attractive copper-gold showings. Assays from this group run up to 20 per cent. copper. Work will be immediately started exploring the property.

Ontabec Limited will receive $50,000 cash and 250,000 shares of stock in the Stadamac Company. This deal is not of the option variety but an outright sale.

Another sale was recently made by the Ontabec company to Joannes Rouyn Mines Syndicate. The property involved consisted of approximately 600 acres joining Granada Mines, (Gamble-Bathurst), and another 500 acres located between the Huronian Belt Company's group and the large Brownell holdings in the township of Joannes. The amount due to Ontabec from this deal is $55,000, and 500,000 fully paid up and non-assessable shares of stock in the operating company, the name of which will be made known shortly.

The third deal to be closed by Ontabec within the past two weeks was made between the Kekeko Mining Co. and Ontabec, the first mentioned company paying $25,000 for a large group of claims known as Ontabec No. 2, situated in Boischatel. The showings on the property warrant the expenditure of a considerable sum of money, as four distinct quartz veins carrying very fair gold values have been uncovered, and this property has marked possibilities. Ontabec Limited retains a ten per cent. interest in the Kekeko Company.

The Hecla-Ontabec Groups, adjacent to Noranda are to be electrically prospected not later than March 1st, and a contract has been signed by the Swedish American Prospecting Corporation to this effect. Heavy mineralization has been encountered on this property, but heavy overburden has made the trenching of these claims very expensive, and as the geological conditions on these claims are similar to those existing on the Horne, it is the belief of the Hecla Copper Company that the Swedish method will locate the bodies which they believe to be there.

Ontabec has a number of other interesting properties in hand or placed under option agreements; one of the most important being a group optioned to Harvie Mining in Clericy Tp.

Iron Ore of Hudson's Bay Will Be Tested By English Shipment

Captain Bernier is again to go on an exploration trip to the North. Just how many of these trips Captain Bernier has made is probably somewhere on record, but about all the ordinary man knows is that Captain Bernier is one of the best posted men in Canada about the big North Country, with special application to the Hudson's Bay region.

The trip he is now preparing for is of more than ordinary interest, because it may mean the development of a great industry in a section where few think that industry is possible. We have yet to learn the possibilities of our own country, and especially that portion that lies outside the general thought. Robert Flaherty, Port Arthur, determined the existence of iron on groups of islands on the east side of Hudson's Bay. Captain Bernier also explored iron bound islands, and his discovery is to be turned to account.

He is to head an expedition which will gather all possible information about the resources of these islands and take out an experimental shipment of 500 tons of ore, which will be sent to England for testing as to quality and workability. If the test proves satisfactory it is the intention of British capitalists to open the ore bodies and either carry the ore to England or establish steel works on the shore continguous to the islands. The latter is to occur, so it is stated, if a nearby water power is found to be of sufficient capacity to make the undertaking feasible.

Grover Daley Busy Erecting Larger Camp

For the next three weeks, work on the Grover Daley property will be practically confined to the erection of a camp and camp buildings suitable for housing a crew of 25 men. When this is completed, the development of the property will be vigorously resumed, with an enlarged working force.

The company is in excellent shape financially; negotiations for placing a large amount of funds in the treasury have just been successfully completed.

The property consists of 370 acres, situated in Duprat and Dufresnoy township immediately adjacent to the northwest corner of Rouyn township. Work on the properties last year revealed distinct copper mineralization and the presence of commercial ore bodies will have to be proved by work.

The property is situated in what appears to be a very attractive section of the camp, being encompassed by such properties as Amulet, Area, Corona, Vickers and holdings of the U. S. Mining and Smelting Company.

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Laval-Quebec Mines, Limited

Above, from left to right: Mr. John A. Reid, geologist; J. A. Naud, Managing Director; Jos. A. Jackson, accountant; S. Tomlisson, Mine Engineer, and Major A. J. Flood, Mine Manager.

The Company owns clear of all encumbrances:
1213 Acres in ROUYN
685 " " DUPRAT
622 " " BOISCHATEL
954 " " MONTBRAY

The Company has $150,000.00 in the Treasury and has arranged additional financing to carry on large scale of operations.

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C. W. DOME HAS SPEEDED UP ITS HUNT FOR ORE

Additional Drills Underground to Open Up New Ore Zones

FINANCES NEEDED

Directors Giving Matter Serious Consideration — May be Ready With Plan by March 9

Consolidated West Dome Lake directors are grappling with the question of future finances. The idea of a bond issue is not finding favor because such a move would have a tendency to jeopardize the position of the Common stock holders. Meanwhile they have taken temporary measures to speed up the present development and more drills are at work in the mine.

The delayed shareholders meeting has been set down for March 9 and the preparation of reports is now under way. It may be that the directors will have a definite statement one way or another by the time the meeting is held. If they decide that new financing must be done, they may have a concrete proposal to make. On the other hand, the speeding up of underground exploration, if crowned with some new success may obviate any change in the present financial structure.

West Dome Lake has been a difficult property to develop, being always apparently just on the edge of better things. Some very fine ore sections have been encountered, only to be followed by a pinching or faulting of the vein. More uniform conditions of the ground are expected at greater depth. The engineer's opinion is that the real future of the mine lies at depth and farther east. Important porphyry bodies occur toward the east and the geology generally is more favorable. Actual experience bears this out, as the largest stope developed to date in the mine is the most easterly one on the deepest level. Diamond drilling has also proved good vein widths and values in that section.

Undoubtedly the property should have more development capital. That raised at the time of the consolidation was exhausted before sufficient work was done, though it served to carry development to 1,050 feet and put considerable ore in sight on No. 3 vein, which the mill has been treating since October, 1924. Production has been over half a million in bullion to the end of 1926.

With more machines at work in the mine, the 900 ft. drift is being driven east as fast as possible to reach the upward extension of the large ore body developed on the 1,050 ft. level below. This should be reached any day now and the same ore will also be reached by shorter drifts on the 750 ft. and 600 ft. levels. The 1,050 drift will also be followed further east at once. A winze has been put down to 1,200 ft. and drifting will be done at that level.

The mill on the property is an efficient one and its capacity could be increased at small expense if larger ore bodies are developed. At present it can handle 125 tons daily. F. L. Hutchinson, the new secretary of the company was asked in regard the statement which appeared as to payments to directors. The only salary paid to a director was to F. G. Stevens as consulting engineer. An allowance was approved for one other director shortly after the consolidation, to cover expense and traveling while he was actively engaged on the financing and direction of the company. Only a small portion of it was drawn.

COPPER OPERATION AT BOSTON CREEK

Toronto Group Tested Out Property and Now Organize Company

Another new copper operation to make its appearance is Amity Copper Gold Mines, with holdings in Ontario and Quebec. The principal operation is at Boston Creek station. A group of Toronto contractors took up this property and spent considerable of their money in opening it up. They are now inviting the public in. The company's property consists of 160 acres at Boston Creek station, on the T. and N. O. railway, in the township of Pacaud, and 400 acres in Boischatel township, Que., adjoining the Arntfield properties on the south.

The Amity Copper Gold Mines is capitalized at $300,000 of $1 shares, of which 1,500,000 shares have been issued for property work to date, which with the 300,000 shares now being offered makes an outstanding capital of 1,800,000 shares, leaving 1,200,000 shares in the treasury for future financing. A recent report on the property made by Sydney A. Pain, M.E., states that the claims lie on the margin of a large granite intrusion in a belt of volcanic fragmental rocks.

The main vein on surface is described as a typical "Copper Gossan" from five to ten feet wide and outcrops most prominently for a distance of over 1,500 feet down the length of the property.

"Developments so far," Mr. Pain states, "have been encouraging. The improvement in the main vein in a vertical depth of 50 feet, the additional occurrences of a concentrating ore at the 125 foot level, and the strong and typical outcrop make me feel confident that a vigorous campaign of development will prove up a copper mine of value.

"On the main vein a vertical shaft, well timbered and equipped, has been sunk to a depth of 130 feet. At the 50-foot level a cross-cut to the vein has been made and the vein drifted on for about 50 feet.

"So far nothing further than the necessary statutory assessment work has been done on the Boischatel properties.

Directors of the company are as follows: D. O. Johnson, contractor, Toronto and Brantford, president; Jno. E. Russell, contractor, Toronto, vice-president; Gideon Grant, K.C., Toronto, secretary-treasurer; F. C. Jackson, civil engineer, Montreal, Que., director; S. L. Squire, ex-deputy minister of highways, Toronto, director; F. W. Scriven, Toronto, director; M. L. McLean, Oakville, Ont., director.

Gold Mining in N.W. Quebec

The above picture shows a deep trench on Thompson Cadillac Mines on Cadillac Twp. boundary, 35 miles east of Rouyn in Quebec. Rich coarse free gold, perhaps the most spectacular since the Croesus of Northern Ontario, are being taken from this vein, which has been traced for a tremendous length. Sinking on the vein is now proceeding.

Team of Huskies Prove Good Investment for Mining Co.

Harvie Mining Manager Paid Bootlegger $200 for Outfit When Bootlegger Feared the Police Were on His Trail — An Exciting Ride

Harvie Mining Co., Clericy Tp., has a fine dog team. It cost $200 for five dogs, team and sleigh. It has paid for itself a dozen times over.

The dog team met the writer at the train when he visited the property in January, and they provided speedy transportation in 2½ miles to the mine. The trail was narrow, the snow deep, and the hills and hollows numerous. Every hill and hollow was negotiated at top speed. The husky leader would yelp and tear along like mad. Perilous, yes, a little, as stumps and trees line the trail, there are no brakes on toboggans and seven huskies can give one an awful swing on a sharp bend in the road. Retaining one's equilibrium is a task and snow up the sleeve in zero weather, with no chance to get it out until a halt is made, adds zest to the occasion.

Dog teams are hard to buy. The Harvie people were lucky in their purchase, as the following letter of the manager, telling of his hunt for a team and subsequent purchase shows:

All the good dogs were either away or stolen by the Indians from Kippawa, so I was out of luck for dogs there. I went to Cobalt and found one fellow who had two small dogs but wanted $75 for them, but I thought the price beyond reason. I tried Giroux Lake and found two very large dogs but they were 8 years old and he wanted $100 for them. Well I sure did no business with him, and in Haileybury there were only a few small dogs and the price beyond reach. I thought I was up against it for dogs, but luck was with me. On my arrival in Rouyn I got wind of a fine dog team of huskies, and I went to see the owner and found out he was a whiskey runner who had just come from Montreal and brought the dogs with him. Naturally he did not want to sell them, but during the night somebody whispered the bug that the police were going to make a clean up so, my bonny boy came to Greens where I was stopping and offered me his complete outfit for $300, five dogs, harness, sleigh, etc., well I jewed him down to $200, and got the outfit. Ten minutes after the news was out that I had the team I was offered $75 for the leader, but I refused to sell.

Made Fast Trip

To make a long story short I got 100 lbs. bacon, 50 lbs. sugar and two pack sacks on the sleigh and started for camp, via Dufault Lake. I left Rouyn at twelve sharp, stopped at Highland's Camp at the east end of Dufault Lake for one hour and made our camp at a quarter to four. (Note: fifteen miles in less than three hours). At that we had to build a bridge with four poles to cross the Kinojevis River, so you can judge what kind of dogs they are. We only needed to walk on the portages.

Cardinal returned the next day and brought back a case of eggs, 100 flour, one case of cream and about 50 lbs. of odds and ends. He left here at 7.30 a.m., and was back at 6.40 p.m., some speed! and he told me he had to ride all the lakes to keep up with them.

The same trip on foot took Bud and Leo Ducette 2½ days and they only returned with about 30 lbs. each, so I figured my dogs will certainly pay for themselves in about two weeks. I find, however that the return trip is too much for them as there were a couple lame the next a.m.

Their usual diet consists of frozen fish at night only, but I give them one better. I have Louis cook up about five fish every day and thicken it up with corn meal and give it to them hot, and believe me they sure go for it.

WAITE WILL BE AN OPEN CUT OPERATION

No News About Company Yet — Reserves Stand Around $11,000,000

Work on the Waite-Montgomery in the spring will be of decided interest. It is proposed to use a steam shovel and clear the surface of the large ore body that has been proven near the surface by diamond drilling and test pits. It is understood that the body will be mined by open cut methods. Work has been very slow and the same with Amulet. However, the wooded nature of the country and the heavy overburden makes work slow. Besides transportation has been an important factor and now that it is available to Rouyn and the Mackimik Road is being put in good shape, work can be speeded up.

No news has been forthcoming of the organization of a company on the property. N. A. Timmins, Inc., controls the operation and has provided all the exploration funds.

The only way in which the general public has been able to share in any way in the enterprise is through the Syndicate units issued several months ago by Toronto people who capitalized an interest in the proposed company, received as commission on the vending of the property. These units, of which there is understood to be 600 issued, represent a total of 6 per cent. interest in the property. The units were originally issued at $800. The rights represented by these units are an interest in whatever company is formed by Timmins, but until this company is formed it will not be known how many shares each individual will receive. Ore reserves are estimated around $11,000,000.

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NOW DRIFTING

Considerable Activity in Gold Section to West of Copper Area of Rouyn

Thompson-Cadillac property, Cadillac Tp., Quebec, is proving the most sensational gold property in Northwest Quebec. The O'Brien mine, adjoining on the east, got some rich ore, but it is not thought to rival that of the Thompson.

The Thompson find was quite sensational on surface and has proven much more so as operations were carried to depth. The last news stated that the shaft was carried to 50 ft. and that drifting was going on at that level in extremely rich ore. Samples reaching Toronto amply support this claim.

In sinking operations it has been found that the vein is stronger and very well mineralized. The shaft is to be continued as far as possible by hand, the high grade will be shipped and later on an up to date mining plant will be installed.

Further trenching is being done to uncover a vein which was located by the diamond drill. This vein gave good commercial ore at 150 feet, when uncovered, a shaft will be started The prospects for this property are very bright.

On the other holdings of the company, systematic work will be carried out during the year.

In Malartic Township, to the east of Cadillac, extensive surface work was done with encouraging results on Knox claims. Trenching uncovered veins in porphyry, one especially giving very good values for over 2,000 feet; some assays went as high as $40 to the ton. These claims are under option to New York people and diamond drilling will likely be the next move.

Thompson Hay, found two good looking veins which gave very consistent assays. Further trenching is being carried on this winter on ground which was impossible to work in the summer time, owing to water.

Malartic Mines, after doing exploration work during the past summer, plans to start a shaft on a vein carrying heavy sulphides, in which there is much visible gold. Values have been obtained over a good length.

Malartic Syndicate, claims are being worked by Toronto interests; two veins, one 10 feet wide, have been exposed for nearly half a mile. While the values have not been given to the public, it is understood from reliable information that they were impressive.

Robb claims were for a time under option to Huronian Belt Co.

Bidgood claims, adjoining the Robb, were optioned to New York people.

NEWBEC A MERGER OF THREE GROUPS

Noranda Has 10% Interest in One Company Going Into Merger

Newbec Mines, a new Quebec operation located in Dufresnoy Tp., at the head of Dufault Lake, is the outcome of an amalgamation of Rouyn Gold Pan, Norbec Mines, and what are known as the Fred McLeod claims.

The properties controlled by the new company are situated adjacent to Waite-Montgomery on the east and southeast. The prospect work so far done has disclosed a large deposit in which very interesting showings of chalcopyrite occur. The properties were examined by representatives of Dome Mines some time ago, and the Dome Company through Mr. De Pencier and Douglas Wright made very aggressive efforts to secure control. A deal was arranged for Rouyn Gold Pan, but the holders of Norbec declined Dome overtures. Noranda has a 10 per cent. interest in Norbec.

Under the terms of the deal the properties become merged under a new company known as Newbec Mines, Limited. This new company has an authorized capital of 5,000,000 shares, of which 2,500,000 are placed in the treasury. The company will start out with $50,000 cash on hand with which to do exploration work.

Among the well known mining men identified in Newbec Mines is James Y. Murdock, president of Noranda Mines. Associated with Mr. Murdock are Bert Ray, of Toronto, together with Peter Graham and associates, of New Liskeard.

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Base Metal Exploration on Gaspe Peninsula Promising

Big Operators Have Taken Up Large Holdings—Pushing Exploration

OUTLOOK PROMISING

Pioneer, Huronian Belt, British Metals and Other Interests Are Now in Field

By W. M. GOODWIN.

It was in the summer of 1534 that Jacques Cartier sailed into Baie des Chaleurs and saw the coast of Gaspé, the first recorded visit of a white man to Canada. During the four centuries since that time a narrow strip of land round the shores of Gaspé has been settled, lumbermen have worked their way up the rivers and a few explorers and hunters have crossed the peninsula at various points; but the mountains of the interior remain unknown in any detail, except for a small area in which prospecting has been carried on during recent years. In fact, except for the possibility of discovering mineral deposits, there is little to attract anyone to the Shickshock mountains but the game or the adventure offered by the rugged hills.

Best Salmon River

The largest river of Gaspé is the Cascapedia, which flows southward for fifty miles into Baie des Chaleurs and which is, by the way, probably the best salmon river in the world. For many years it was known to some of the inhabitants of the Cascapedia valley that lead and zinc float was to be found in streams at the headwaters of the river. In 1909, Ernest Barter, a timber cruiser, set out to find the source of this float and eventually discovered veins containing galena and sphalerite on what is now known as Federal Hill. In 1915, J. C. Beidelman, in association with T. O. Lyall, both of Montreal, commenced to investigate the deposits in a systematic way. In spite of the serious transportation difficulty involved in the 45 mile journey from the railway at the coast, they developed several hundred thousand tons of ore from a 250-foot shaft and subsidiary workings. This work, in the midst of a remote and unknown region, they did alone and, in spite of the heavy expense, eventually constructed 40 miles of graded road from the settlement to their property—a bit of pioneering that redounds greatly to their credit and that has done more than anything else to aid the development of the interior. Their company is the Federal Zinc & Lead Company.

Pioneer Exploration

In the fall of 1924 the claims now held by Pioneer Mining Cohporation were staked, and during 1925 a number or veins were found on them. The campaign of prospecting in 1926 increased the number of veins found to about thirty, and some of them were of such promise that it was decided to put a cross-cut tunnel into one of the hill-sides to cut a number of them at some depth below the surface. As the veins at surface are deeply weathered on account of the upper part of the Shickshocks having escaped glaciation, their true nature can be determined only by opening them underground by some such means as this tunnel. The tunnelling is being done by hand at a rate of about 70 feet a month, pending the installation of a steam plant which will be ready to work in February, when a speed of 300 feet or more will be attained. One of the veins to be intersected underground showed amidst the gossan on the surface, eighteen inches of solid galena and another is composed at the surface of gossanous material eighty feet wide; so it is conceivable that this tunnel, which will cut the veins at depths from 100 feet to 300 feet beneath their outcrops, may in itself develop a mine. At present only a few hundred acres of the Pioneer holdings of 1,400 acres have been prospected, so it is intended to resume the general surface prospecting next summer.

Succeed Federal Zinc

In the autumn of 1926 the extensive holdings of Federal Zinc and Lead Company were optioned to British Metals Corporation, which already has a silver-lead-zinc mine in Quebec, the Tetreault mine at Notre Dame des Anges, near Three Rivers. Mr. Beidelman had opened up the year before, two unusually promising veins near the southeast corner of the Pioneer property and at a distance of over a mile from his original veins on Federal Hill. These and some other veins are now being diamond-drilled by British Metals. The property is equipped with a commodious central set of camps, separate smaller camps at the outlying veins and a complete steam plant for sinking and drifting. The Federal Hill has been cleared and from it one sees a magnificent panorama of the mountain peaks to the north and east, some rising to an elevation of 4,000 feet, while to the south is the vista on the hill-rimmed Cascapedia valley, a mountain view that is unexcelled in eastern Canada.

Huronian Belt Enters

For several years a small block of claims to the east of the Federal has been held by Hon. John Hall Kelly, legislative councillor for Gaspé. Recently, Mr. Kelly has increased the size of his holdings until now he is one of the principal owners of claims in this locality. In the course of the assessment work on his claims a number of attractive veins have been found. Cabins have been constructed at strategic points on the claims from which to conduct further work. One of the attractions of these cabins to the writer (of which he has already taken advantage) is that they are within easy reach of Lake Ste. Anne, which abounds with speckled trout.

In the late summer and fall of last year, two blocks of claims north of the Federal and Pioneer holdings, comprising 1,600 acres, were staked for Huronian Belt Company, the predecessor and close associate of Pioneer Mining Corporation. While no prospecting has been done on these up to the present, an unusually large amount of vein quartz, as float, has been found in the brooks through the central part of one group. This gives reason to hope that the prospecting next summer will result in the discovery of payable veins. Already attractive veins have been found on the Federal claims just to the south and on other claims adjoining.

Much New Staking

During the past two months a considerable amount of staking has been done in this locality. While a large part of this has been done by local people, considerable interest in the area is now being taken by substantial mining concerns.

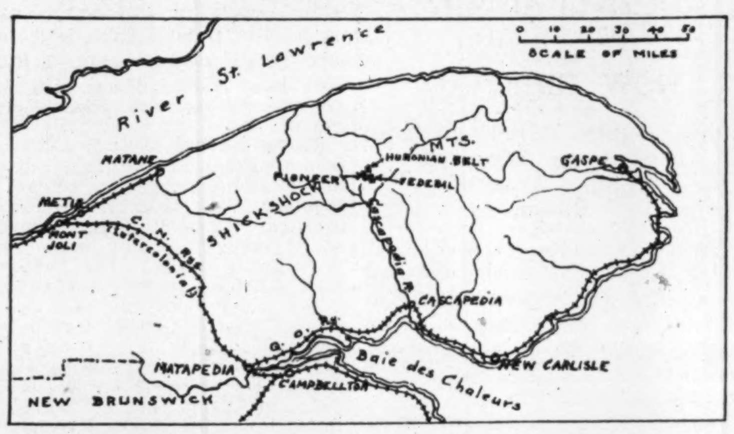
The geological features and topography of the central part of the Gaspé peninsula are entirely different from those familiar to mining men and prospectors in Northern Quebec and Ontario. The method of prospecting is, in consequence, somewhat different also and preliminary mining development can be carried on by tunnelling instead of the usual shaft sinking and drifting.

The core of the Shickshock mountains is a granite batholith which composes a number of the high peaks to the north of the area of active prospecting described above. The intruded rocks on both sides are shale of Lower Devonian age and the granite came in during Middle Devonian times. From the buried part of the granite, offshoots of the parent magma come up to the surface through the shale, appearing as small intrusions of syenite and porphyry. Near these occur the lead-zinc veins.

Mineral Extent Not Known

As very little of the interior of Gaspé has been mapped geologically during recent years, it is not known for what length up and down the axis of the peninsula the mineral-bearing formation extends. It is known, however, that copper prospects occur at the headwaters of the York River, 30 miles to the east of the locality described above, and near Matane, 60 miles to the west. Lead and zinc float have been found at a number of points outside the area now being prospected and sphalerite or zinc sulphide has been found in attractive quantity in places 50 miles to the southwest. No prospecting of any consequence has ever been done outside the few hundred acres examined during recent years by the companies named above. It is quite possible, therefore, that a campaign of prospecting in the peninsula in the modern way may result in establishing here, on the Atlantic seaboard, a mineral area that will take a worthy place among the mining camps of Canada.

Gaspe Peninsula, Quebec



The above map shows the location of the lead-zinc prospects now being developed in Lemieux Tp. and which are attracting a good deal of attention.

New Gaspe Operation

A cabin built by Pioneer Mining Corp. Toronto, for its men in Gaspe

Astoria Rouyn Mines
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(*No Personal Liability*)
Incorporated under the Quebec Mining Companies Act
Authorized Capital $5,000,000
Par Value of Shares $1.00
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We are making an advance offering of the capital stock of the Astoria Rouyn Mines Limited, and would advise our clients to send their orders as soon as possible, as this allotment is limited.

Price: 40 cents per share, subject to prior sale

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Prospectors Way of Doing It

A camp on Mount Alberta in the Mountains of Gaspe Pen.

Excellent Values in Lead and Zinc from Federal Gaspe Group

Dominion Geologist Has Paid Several Visits to Section—Indicates Area is One of Considerable Promise—Some Technical Details

Gaspe Peninsula looms large as a possible producer of lead and zinc. Not a great deal is known of that section of the country, although there are some very valuable reports by F. J. Alcock, Dominion Geological Survey, available. The following summary of the economic geology is taken from Mr. Alcock's latest report, 1926. It is quite technical, but is published in the hope that it may arouse the interest of operators, engineers or prospectors, in the area.

The main economic interest in the area centres in the zinc and lead mining claims on Brandy brook. A description of these deposits was given by the writer in the Summary Report of the Geological Survey, Part D., 1921, and though he has been on the principal property during the summers of 1923 and 1924, there is little to add to the information given in that report. This is due to the fact that no further development work has been done, the chief activity of the Federal Zinc and Lead Company during that time being improvement of the road to their property.

Crown-granted mineral claims are held by two companies, the Federal Zinc and Lead Company and the North America Mining Company. Almost all the exploration and development work in the region has been carried out by the former company. The president of the Federal Company is T.O. Lyall; the vice-president and general manager is J. C. Beidelman.

Character of the Deposits

The main deposits of zinc and lead located at present are in the shales and limestones of Lower Devonian age. Sulphides are also known to occur in the basic volcanics associated with the Gaspe sandstones. The Devonian shales are folded, faulted, and brecciated, and are intruded by porphyry and syenite. There was also movement after the period of mineralization.

The region around the mineral deposits is covered by a fairly heavy overburden and, as a result, outcrops are not abundant. On the steep slopes of the valley sides, however, the bedrock is commonly exposed. The loose fragments of rock in the soil can usually be taken as representative of the solid rock beneath. The presence of ore is denoted by pieces of galena in the float. Sometimes these form large, rounded masses, weathered brownish, and containing cavities from which the sphalerite has been leached. As a rule they have not travelled far and by trenching uphill from such float, the vein from which the material came can usually be located. In other places, as for example on the Federal hill, actual outcrops of veins are exposed. As a rule such outcrops consist of chambered quartz from which the sphalerite and often also the galena has been leached. The quartz is either white or stained brownish; the amethystine variety, which is common underground, is usually bleached white in the surface exposures.

Deposits In Veins

The deposits are veins, and like most veins they pinch and swell. In some places they show sharp contacts with the enclosing rock, and in other places there is a brecciated zone in which there is a gradual transition from massive vein material to barren country rock. Country rock of various sizes and shapes are found in the veins and these and the fragments composing the breccia have sharply-defined borders and angles, showing that the solutions from which the vein materials were deposited did not affect the shales.

The larger veins run in a general northerly direction, cutting across the strike of the enclosing sediments. They dip for the most part over 70 degrees. They apparently follow fault and brecciation planes, with mineralization to a less extent along joint-planes. Movement continued after the period of mineralization. One fault parallels the west wall of the Federal or No. 1 vein, and at a point 180 feet north of the north crosscut, the same vein is cut off on the 100-foot level by another fault.

Mineralogy of the Deposits

The minerals of the veins are sphalerite and galena, in a gangue of quartz and carbonate. Pyrite, marcasite, and chalcopyrite are present in very minor amounts. The sphalerite is for the most part light yellow, varying locally, however, to a reddish brown, and is almost free from iron. It compares favourably with the best Missouri blende.

An analysis (made by J. T. Donald and Company, Montreal, for the Federal Zinc and Lead Company) of a sample of ore gave the following results:

Insoluble and silica	0.35%
Iron oxide	0.82%
Alumina	0.10%
Sulphur	32.46%
Zinc	66.00%
Lead	traces
Lime	None detected
Magnesia	"
Cadmium	"

In the surface exposures and to a certain extent in the upper parts of the veins the sphalerite has been leached out by surface waters, but the amount of leaching on the 100-foot level and lower is only very slight. Some of the surface specimens have a white coating that consists of an intimate mixture of zinc silicate of calamine, zinc carbonate or smithsonite, and zinc hydrated carbonate or hydronzincite. A soft white kaolin mineral is also found on the 100-foot level, and even on the 250-foot level, but only in small amounts.

On the 250-foot level a greenish-yellow mineral is associated with the

(Continued on page 40)

NORTHWARD

Canada Northern Power Corporation
Limited

NORTHWARD the transmission lines of this Company are reaching, following the trails blazed by the prospectors and pioneers, bringing electric power to assist in the development of new mines and to speed up the production of those already proven.

Service was established by this Company in Rouyn early in December, and branch lines are now under construction to the larger mining properties.

Seven per cent. Cumulative Preferred Stock

Price: 100 to yield 7%

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CHIBOUGAMAU MAY BE NEXT AREA TO DRAW PROSPECTORS

Many Promising Discoveries in Section 120 Miles North of Transcontinental

HIGH VALUES OBTAIN

Many Parties Went Into Area Last Year and Rush May Start Early in 1927

Will Chibougamau be the centre of prospecting interest in Northern Quebec in 1927?

Now that the Rouyn district is passing from the prospecting stage to that of a promising mining field, will more extensive prospecting be carried on along the extension of the belt rocks favorable to the occurrence of ore to the north-eastward?

Gradually information has been accumulating and transportation improving so that the area around Lakes Chibougamau, Dore and Mistassini, once accessible for only a short prospecting season, at the end a tedious, if interesting canoe journey, is now attracting attention and may be reached in a trip of less than one week from the railway.

Sufficient showings have been opened up to encourage the prospector and exploration company scout, and which afford a base for tying on stakings.

Like Other Camps

Lake Chibougamau has given its name to a region of pre-cambrian rocks which contain ores of like nature to those of the older mining camps to the immediate west—Porcupine, Kirkland Lake and Rouyn.

Lying about 120 miles to the north of Oskelaneo, a station on the National Transcontinental Railway, 284 miles west of Quebec, it may be reached by water route with only 15 portages, three of which are one mile long; the others are half and quarter mile long, and the first 80 miles can be done by motor boat, and scows carrying 25 tons can be towed over this stretch of 80 miles straight north.

The renewed interest in mining, the creation of a corps of experienced prospectors and the popular use of the "kicker" in canoeing is bringing fields, formerly regarded as accessible only with difficulty, inside the frontier.

Mineral showings of even less promise than those of Chibougamau have caused staking booms and sometimes resulted in the establishment of mining camps and the opening up of extensive areas of new country.

First Staking

Twenty-three years ago Peter McKenzie of Montreal first staked out claims on Portage Island, Lake Chibougamau, and on the strength of Mr. McKenzie's finds Capt. H. L. H. Blake went into the district, also Col. Machin, M.P., of Kenora. Both of these parties did considerable staking and opened up some really fine showings. Their properties are patented.

On the strength of the reports coming down from the district, the government, in 1910, sent a commission of geologists, etc., to report on the country in general. This report was issued in 1911 and gives a detailed description of the field, enabling the prospector to devote his time to the more promising areas.

Geology Favorable

The conclusion of Barlow and Gwillim, the geologists of the commission, was that while prospecting to that date had not opened up mineral deposits of sufficient extent to warrant the building of a railway, yet the geological conditions were favorable for the occurrence of ores of gold and copper especially. Their forecast has been borne out by the prospecting work since done by H. L. H. Blake in 1921 and P. G. McKenzie, 1924, on Dore Lake, a few miles west of Chibougamau Lake stakings.

These last two finds made by H. L. H. Blake and P. G. McKenzie, of which a summary description is herewith given, has been the means of considerable staking done in the past summer. The prospectors and mining engineers who made hurried trips into the district for the purpose of staking only (providing geological conditions warranted) have all without exception staked out groups of claims.

Many Have Staked

Among the many were several experienced oldtimers of Northern Ontario and Quebec fields.

Fred Davies, M.E., late of the Huronian Belt Co., who staked out a group of some 15 claims.

A. R. McDowell, M.E., representing Huronian Belt Co., who staked out forty claims on their behalf.

J. P. Norrie, M.E., Mr. Towers, M.E., associated with New York capital, have taken up a group of 20 odd claims and have located and opened up a very large and promising ore body of copper and gold. A. E. Dumond, well-known throughout the North Country, representing New York capital, staked out some thirty claims, has done considerable work this past summer by opening up three very promising ore bodies, copper and gold, carrying good values. The Wabano Mining Syndicate, Montreal capital, who have acquired the M. H. McKenzie properties, also some additional properties adjoining the P. G. McKenzie find, have opened up two very promising ore bodies carrying good values. R. T. Gilman, associated with Montreal capital, has staked out some fifteen claims, and has some very promising showings.

Got Good Values

The Steele Fortune crowd staked a group on a discovery of a 10 ft. quartz vein, with gold values ranging from $10 to $25 per ton.

Other well-known oldtimers who visited the district in the past summer, and staked out claims, are Andy Cullen, Walter Paul, Bolger, Woods, M.E., Kellar Bros., Springer Bros., Jack Miller, Alex. Gillis, one of the original Hollinger stakers, also Howey, Red Lake. Mr. Gillis visited the best developed properties. He was much impressed and predicted a great future for the district.

The principal stakings have been around Lake Dore, in McKenzie and Obalski Townships.

Prospecting Hints

Once supplies have been taken to a central depot, prospecting conditions are similar to those in the Rouyn district. The area is one of low rolling country with many lakes and rivers. Still covered by timber growth, overburden varies from a covering of moss to clay filled valleys. The areas of different rocks are well defined on geological maps and readily recognized in the field.

Being no farther north in latitude than Winnipeg, the hours of daylight in summer are long. The average range of temperature is a little below that of Quebec City. The seasons vary,—1926 was wet while 1921 was dry and pleasant.

Values Obtained

The principal showings are on claims staked by Blake and McKenzie. Assays of samples taken from prospect pits on the Blake group of claims are reported in "Mineral Resources in North-eastern Canada," published by the Canadian National Railways in 1926. These show values in gold, silver and copper, as reported by an independent engineer, J. G. Ross of Milton Hersey Company, Ltd., Montreal. Typical assays are:

Average value across 31 feet 6 inches on Merril Island.

Copper, $10.32, gold and silver, $14.03. Total $24.35 per ton.

Twenty-five feet north, on the same ore body, samples assayed:

Copper $15.04, gold and silver $103.30. Total $118.34 per ton. Copper $12.43, gold and silver, $29.59. Total $42.02 per ton.

Good Copper Values

On the Creek claim a sample across a width of 15 feet at a depth of 4 feet on analysis yielded: Copper $10.10, gold and silver $18.80. Total $28.90 per ton. The average value across 8 feet of this showed $51.70 per ton.

The samples were taken in 1921, at which time copper was valued at 12 cents per pound and silver at 62 cents per ounce.

Work on the claims staked by P. G. McKenzie, who is associated with Montreal capital, has disclosed three ore bodies. Sinking to a depth of 26 feet was done in a prospect shaft on claims at Ethel Point, Cedar Bay, Lake Dore.

Samples across an 8 ft. vein of quartz and chalcopyrite 300 ft. long opened up below the zone of weathering yielded on channel assays:

Depth	Gold	Silver	Copper	Total
24 ft...	$16.80	$0.55	3.78%	$27.56
25 ft...	$22.80	$0.72	1.55%	$27.70
26 ft...	$21.60	$0.77	1.38%	$26.10

These samples were taken in November, 1926, copper being valued at 13 cents per pound.

Much higher assays were secured from weather samples in the first 21 feet of the shaft.

Sixty feet north of the shaft there is another quartz vein 20 ft. wide, situated in a big band of basic lava rock some 50 ft. wide. This vein has been trenched across to a depth of 6 ft. and channel assays give over $10.00 per ton in gold and copper. This band has been traced for 700 ft. in length.

The samples reported above were taken by McKenzie and are checked by the results of sampling by two independent engineers.

Present Transportation

From the time the first staking was done in 1903 up to the time the Chibogamau report was made in 1911, the Lake St. John canoe route was the only way to get into the district, and it was a hard route, close on to 200 miles from steel, and rough water most of the way. However, since then the Canadian National Transcontinental was completed and the new route into Chibogamau to-day, from Oskelaneo River, on the C.N.R., is but 120 miles as the crow flies and 150 miles by canoe, but the fact of being able to take heavy loaded scows for the first 80 miles brings Chibougamau to-day within 60 miles of transportation.

The government has recently made a grant towards building a winter road over this sixty mile stretch, which will eventually be made into a summer road. Exploration and survey work will begin on this road immediately. However, in the meantime there is at present a fair winter team road from Lake St. John right through to Chibogamau. Hudson Bay Co. are using it to haul their Chibogamau and Mistassini post supplies. There are about 20 teams hauling at present.

A railway along the height of land from east of Doucet on the Transcontinental Railway, however, would traverse a more favourable geological formation and open up the intervening ground for prospecting.

Summing up all the information available, it is not too much to expect that the next few seasons may see an active mining field develop to the north of the railway, as the last three years has seen one open to the south in Rouyn and adjacent townships.

Harvie Operation in Clericy

North showing which is now being explored by tunnel. There are live extensive chalcopyrite showings.

HORNE'S MASSIVE PYRRHOTITE BODIES SUBJECT OF TESTS

Might be Worked for Iron and Sulphur With Copper-Gold By-products

Noranda Mines has been making a study of the large bodies of pyrrhotite found in Horne mine. Tests have been made by the Ore Dressing and Metallurgical branch of the federal department of mines.

The ore bodies are massive pyrrhotite, too low in copper and gold to be economically workable for the recovery of the copper-gold values alone, but which might possibly be worked for the recovery of the iron and sulphur content, with copper and gold as by-products. A possible method of treatment was worked out by R. J. Trail and W. R. McClelland, but they say that whether such a process would be economically possible will depend on the cost of power, plant installation and operating costs.

The ore, they say, consisted of a mixture of pyrrhotite and pyrite with low values in copper, gold, zinc. Analysis follows:

	%
Total iron	50.3
Ferrous iron	33.18
Copper	1.20
Zinc	0.37
Gold	0.10

In a summary of results, they say:

Two methods of treatment are described, namely, (a) directly leaching the pyrrhotite content, and with subsequent roasting of the pyrite; and (b) directly roasting the mixed sulphides, thereby converting the pyrite to artificial pyrrhotite. The latter method proved less satisfactory than anticipated, a new problem arising in the roasting effect on pyrrhotite, necessitating further roasting treatment to secure satisfactory iron recovery. Both methods give practically the same results.

Results show extractions of iron and copper amounting to 89.5 per cent. and 88.6 per cent. respectively, with 60.4 per cent. recovery of sulphur under more or less adverse conditions.

Concentration of gold values in the residue in the ratio of 1:8 results from either method of treatment.

A pure electrolyte can be obtained, suitable for recovery of iron as electrolytic iron.

Bears Get Chance to Raid Barry-H. Market

What is said to have been a personal disagreement with Pres. H. C. Crow, led Manager L. B. Smith to resign from Barry Hollinger. This provided a loophole for the bears to attack the stock and they made a substantial raid on the market. Mr. Crow in an official statement states that the change in no way affects the position of the operation which is proceeding as usual.

QUEEN LEBEL WILL SINK TO 1,000-FT.

Directors Decide to Provide Sufficient Funds for New Plant and Operations

Queen Lebel Gold Mines, with enlarged holdings on the east end of Gull Lake in Kirkland Lake camp, plans to resume operations in the spring. Shareholders recently approved a proposal to provide finances themselves.

It was decided to sell 100,000 shares of stock at 35c., and it is reported that the directors are taking the bulk of the offering. The capitalization was increased from 2,000,000 to 3,000,000 shares, and this will put 1,300,000 shares in the treasury. The purchase of the Braniff claims has been completed, and this gives the Queen Lebel an acreage of 265 acres. A cash price was offered for the property by New York interests, but this was turned down.

The intention is now to put in a plant capable of sinking to at least 1,500 feet, and it is hoped work will be resumed in May. There is a small plant on the property now. Once the larger one is installed shaft-sinking will be resumed and the initial objective will likely be 1,000 feet. It is expected that developments at depth will be interesting.

Robert Gamble's

GRANADA ROUYN

Mining Company Limited

The speed with which more than a million shares of this first issue was over-subscribed by geologists, engineers, bankers, government authorities, manufacturers and other well-informed groups, constitutes a splendid tribute to the confidence in the executor of this Company and the richness of his properties.

Capitalization

Authorized	5,000,000 Shares. Non-Par. Non-Assessable.
Issued	2,500,000 Shares . . . Vendors pooled indefinitely . . . . until property is proven.
Issued	1,000,000 Shares to public . . . over-subscribed in one day.
Treasury	1,500,000 Shares.

Organization

The Company is a consolidation of more than 10,000 acres of most promising properties in the recognized mineralized areas of ROUYN, DUPRAT and BOISCHATEL.—Other groups to be acquired — which have been under the control of Robert Gamble since the early days of discovery in 1922.

Sensational gold deposits have attracted wide attention. Geological conditions are identical and ideal for the duplication of the rich KIRKLAND LAKE area, which has produced, and continues to produce millions. ALSO highly promising copper zones are indicated on a vast acreage.

Mining Equipment extensive and of high quality has already been ordered and will be en route to the properties while this is being read, although the Company has been organized but a fortnight.

Conscientious, Aggressive mining conduct alone animates Mr. Gamble.

Ample Finances assure continued, scientific development.

Engineering Ability of first importance will consult on and direct operations.

A Directorate of influence and wide experience will soon be announced.

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We recommend

the immediate purchase of Granada Rouyn shares at the present attractive market price around

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Write us for every detail regarding this offering

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Pioneering in the Rouyn Mining District

Our Identity with the Rouyn Mining District

We are actively engaged in the prospecting and operating end of mining in the Rouyn field, maintaining our own field scouts and engineering staff in the district. We have either underwritten or been identified with the financing of many successful Rouyn mining enterprises during the past few years, and this intimate connection with mining development places us in a position to give first hand and unbiased advice to mining investors.

Semi-Monthly Market Letter

Twice each month we publish a market letter covering the technical market position of the leading mining securities and also outlining in detail progress of individual properties in all mining camps. Mining investors will find this impartial letter invaluable when making security selections.

Special Quebec Progress Report

Our statistical department has prepared a special progress report covering developments on properties located in north-western Quebec (Rouyn area) and the information contained therein is based upon reports received from our own field engineers.

MARKET LETTER AND SPECIAL QUEBEC PROGRESS REPORT
MAILED FREE UPON REQUEST

MINING REPORTS—Our statistical department will be pleased indeed to furnish reports on any mining shares or properties.—This is part of our service.

MOWAT & MACGILLIVRAY

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Aconda Mines, Limited

Authorized Capital $3,000,000 Par Value $1.00

Property — 1,004 acres in one solid block located in Boischatel Township, Rouyn Mining Division, Quebec. The Aconda Mines, Ltd., properties are situated immediately adjoining the Amulet Gold Mines, Ltd. "C" Group and Noranda Mines, Limited (Armstrong Group). The properties have been surveyed.

Buildings and Equipment — The Company has constructed a complete set of camps near the centre of the property and same includes: — Sleep Camps, Cookery, Office and Manager's Residence, etc. Equipment and supplies for all immediate requirements are on hand in the Company's storehouses. Additional buildings will be erected and plant extensions will be made as required.

Power and Transportation — The main power line which supplies hydro-electric energy to Noranda Mines, Limited and other operating properties in the district, crosses the Aconda Mines, Limited property and the management will enter into power contracts when and as required. Transportation offers no serious problem as the new Provincial highway runs through the centre of the Aconda property and connects with the Rouyn Railway. Later railway facilities will be available by the construction of a spur line.

Geology — A geological survey of the property was made and similar conditions to those existing on the prominent mines of the district were encountered. The associated intrusives are identical to those found on the properties of Noranda Mines, Limited, Towagmac, etc.

Finances — The Aconda Mines, Limited, is strongly entrenched financially, having cash on hand amounting to approximately $120,000. In addition to this favourable cash balance, underwriting arrangements have been entered into which will ultimately bring cash resources up to in the neighbourhood of $400,000.

Management — The management is in the hands of Messrs. Alderson and MacKay, the well-known firm of consulting engineers, and the resident manager is Mr. G. R. MacLaren, E.M., C.I.M.M. (formerly General Superintendent of Argonaut Cons. Limited).

Development — Active exploratory operations were started on the Aconda properties nine months ago and have been carried on continuously ever since. Development work early last fall resulted in the uncovering of four highly mineralized zones yielding copper and gold values. Following these discoveries, it was deemed advisable to enlarge upon the scale of operations under the best obtainable engineering guidance, and accordingly Messrs. Alderson & MacKay and Mr. G. R. MacLaren were appointed.

At present dip-needle and magnetometer surveys are under way and a series of trenches are being dug close to the Amulet "C" boundary in an effort to pick up the continuation of the ore body on this property as opened up by systematic trenching and blasting. Following the completion of this work, the property will be further tested by the employment of the Swedish electrical process, and a decision will then be made regarding diamond drilling.

OFFICERS and DIRECTORS

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Vice-President Quebec Copper Cold Mines, Limited.

Vice-Pres. . . S. S. HOLDEN, ESQ., OTTAWA, ONT. Manufacturer
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ARNTFIELD AND TOWAGAMAC TO WORK TOGETHER

Two of Largest Boischatel Twp. Holders Are Joining Forces

TESTS BEING MADE

Alderson and Mackay Likely to Take Charge of Big Gold Enterprise

The Financial Post understands that an amalgamation is being considered whereby the Francoeur claim, owned by Towagamac Exploration Co., Ltd., and the Baker, Brule and part of the F. S. Arntfield claims belonging to Arntfield Mining Syndicate, Ltd., will be developed jointly. Two Towagamac claims to the north of the Arntfield group are to be included to protect the ore body on the dip.

These claims comprise a block of ground approximately a mile square containing the foremost gold ore body in Quebec. The strike lies across the centre of the group and crosses the property from West to East, extending into the adjoining Arntfield claims to the East.

Large Ore Body

Towagamac and Arntfield have been quietly developing the section for three years and the belief is that every large ore body of about $8.00 grade has been opened up.

The majority of the work has been done by Arntfield Mining Syndicate, Ltd., on their claims, over $100,000 having been spent to date in development of this section. A diamond drilling campaign is now in progress on both properties with a view to amalgamation if preliminary underground results are favorable, in which event a company will be formed to further develop the property and bring the mine to production.

Arntfield Mining Syndicate, of which little has been heard owing to the ultra conservatism of its management and consulting engineers, holds a very large acreage in Boischatel Twp. Three main groups, comprising 4,350 acres have been subdivided into seven blocks for development purposes, and at least five of these promise well. The other two have interesting possibilities which have only been slightly explored to date.

Large Cash Resources

The capitalization of the company is 1,500,000 in shares of $1.00 par, and of this amount 650,000 remain in the treasury. The company is also well fortified with cash, sufficient being on hand to take care of all overhead, assessment work, and other exploration for at least two years. A recent issue of 100,000 treasury shares to the shareholders at par was quite heavily oversubscribed.

Body of Great Width

The Western Group of 1,875 acres is sub-divided into three blocks. The smallest and most westerly of these, known as block 1, is the ground on which The Financial Post understands an amalgamation with Towagamac is contemplated. The 275 acres comprising this block contains an ore body opened up on surface for the entire distance from east to west, some 3,000 feet. The ore is of a free milling nature of a grade a little better than $8.00 per ton, and the ore body is from six to thirty-five feet wide over its whole length. The average width is something approximating fifteen feet.

Block No. 2 adjoining to the east lies south of the Chance Syndicate ground being developed by Tonopah Mining Co. This block has some 2,000 feet of the ore body running through No. 1 and this is expected to be further extended to the east by exploration now under way. A gang of men are now employed in further surface work on this section.

Will be Explored

Block No. 3 adjoins the Alderson-MacKay mine lying to the north, and while this block has not been extensively explored, its position and extent (some 800 acres) warrant the belief that it will prove to be of value. This ground will be explored thoroughly next season.

The east group consists of nine claims comprising approximately 1,700 acres situated in the north central portion of Boischatel Twp. and lying between Consolidated Mining and Smelting holdings and claims owned by Victoria Syndicate, Ltd. In spite of tremendous overburden, many areas of disseminated chalcopyrite have been located. It is known that a zone of heavy mineralization extends completely across this group. The zone is 1,000 feet wide for a considerable part of the distance.

The Lunburg method of electrical prospecting is to be employed in exploring this entire group, with the belief that areas of concentrated sulphides will be disclosed in the heavily overburdened sections surrounding the mineralized zone in the centre of the property. This work will begin early in March and will be followed by an extensive diamond drilling campaign on the portions which may appear to be favorable.

Mining men in Canada have been interested in the development of Arntfield Mining Syndicate, Ltd., in Boischatel, for the reason that the methods adopted have been unusual. F. S. Arntfield, president, has personally found the necessary funds without requiring salesmen or other assistance. and without the payment of a cent in commissions. All shares have been placed at par.

It now appears that a close working arrangement is to be entered into between Towagamac Exploration Co., Ltd., and Arntfield Mining Syndicate, Ltd. The latter company intends to operate, for the time being at least, as a holding company, while Towagamac is an active exploration and development company. These policies will work admirably together as it will be possible for Towagamac to take over and bring along in the final stages such holdings of the Arntfield Company as may appear to offer good chances of success after preliminary exploration has been completed. The Arntfield Company will retain a substantial shares interest in each group optioned.

Osisko Lake Mines is Diamond Drilling

No official statement has been made in regard the results achieved by the electrical survey in Osisko Lake mines, adjoining Noranda on the east. The action of the market for the shares would indicate that the survey had not been favorable. While there are rumors that following the completion of the survey, Noranda, which had taken 250,000 shares of stock for its interest in one claim, threw its holdings on the market.

These are only rumors. It is to be also noted that the survey is reported to have been made on the most unpromising part of the property. Close to 500 acres was not surveyed.

Diamond drilling is to be done for the purpose of testing the foundations occurring at depth in the northwest corner of the E. Gamble claim, and adjacent to the Noranda Mines.

ELEVEN SMALL B.C. LAKES GIVE ANNUAL CROP OF WASH SODA

During Cool Autumn or Winter it Crystallizes by Chilling

The crystal soda. manufactured by chemical works, and commonly known as washing soda, is a familiar product. Natron, which is the natural crystal soda of the same chemical composition and which is not commonly found native, occurs in considerable quantity in British Columbia, in small, undrained lakes which occupy shallow depressions over the southern portion of the Green Timber plateau, just to the north of the village of Clinton, one of the integral plateaux forming the great interior plateau of British Columbia, situated in the southern part of the province about midway between the Rocky Mountains and the Pacific.

According to present knowledge, practically all of the soda lakes of commercial importance, eleven in number, are situated within an area of about thirty square miles. This area is about ten miles north of Clinton and is traversed by the Pacific Great Eastern railway. The majority of the lakes are within four miles of the railroad and all except two are within thirteen miles. The lakes are small, ranging from five to thirty-five acres in area. The depth of brine in the lake containing the greater amounts of soda does not exceed three and a half feet. The available tonnage of natron in nine of the lakes examined is on a preliminary estimate, about 220,000 tons. The largest single deposit contains about 70,000 tons.

How It Crystalizes

In all except two of the lakes the soda is in solution during the greater part of the year, but when the concentrated brine is chilled by the cool autumn weather the soda crystalizes out in the form of natron. If the brine were not chilled and concentration by solar evaporation were to continue, the resulting deposit would be the mineral trona, a mixture of the carbonate and bicarbonate. This is the usual form in which soda occurs in natural deposits throughout the world.

The natron deposited each autumn forms in a bed from three to ten inches in thickness over practically the whole of the lake in most cases. It is very pure, containing as a rule less than one per cent. impurities. It must be harvested during the autumn or winter, preferably the autumn, for then it is not contaminated with other salts that are later deposited from the brine. With the coming of spring this natron crystal redissolves.

In two of the lakes the soda is in crystalline form the year round. The crystals occur in large hemispherical masses in the muddy bottom of one of the lakes and as individual crystals disseminated through the mud in the other. This crystal is of the same composition as the surface crystal. but. of course, is much contaminated with mud.

In addition to the lakes mentioned, there are numerous other alkaline lakes on the plateau containing sodium carbonate in solution but not at present in such proportions that any is precipitated during the cold weather. These lakes are annually lessening in volume and may yield soda in the future.

Analyses and further details regarding the material in these lakes are given, under the title "Sodium Carbonate in British Columbia" in sec. V of Mines Branch Report on Investigation of Mineral Resources. 1924, (No. 642), issued in 1926 by the Department of Mines, Ottawa, Canada.

Bagamac Will Start Surface Exploration

Bagamac Rouyn Mines, an organization controlled by Haileyburians, have plans to start surface exploration some time this month and at the same time will do some work on last year's discoveries

Bagamac property comprises the Bagshaw-McCuaig group of claims south of the Noranda Mines. A block of the treasury stock was recently underwritten in Toronto, and ample finances are available for the development of the property. A quarter of a million treasury shares were disposed of in Haileybury and Cobalt a couple of weeks ago. Application has been made for the listing of the shares of this company on the Standard Stock and Mining Exchange. and the shares will be called for trading shortly.

PORC. CROWN HAS MET FAIR SUCCESS ON QUEBEC GROUP

Encouraging Surface Work Has Resulted in Decision to Diamond Drill

Porcupine Crown's exploratory effort on its claims is Guyenne Tp., north of the trans-continental railway in Quebec, has met with a fair measure of success. Pres. W. J. Gear, in his annual report to shareholders calling the annual meeting for later in the month outlines the work done and says the company has funds for a reasonable program of operations. He says:

The company has on hand funds sufficient for a reasonable programme of operations on its present mining claims amounting to $32,711.24. With regard to your investment in the British Porcupine Mines, Limited, I have to report that the shareholders of that company have agreed to sell their entire interests to the Vipond Mining Company, Limited, receiving for same one share of Vipond stock for seven shares outstanding. As your company holds 500,000 shares of the British Porcupine Crown Mines, Ltd., stock, you will receive in exchange 71,428 shares of Vipond Mining Company's stock.

Guyenne Township Claims

As mentioned in the last annual report, further examination of the claims were made in this township, your directors engaging the services of N. J. Evered, M.E., to make a preliminary examination prior to incurring further expense on development work. His report was favorable so far as the claims situated in Range No. 9 were concerned, but did not advocate that the claims in Range No. 8 be held. Consequently these latter claims were allowed to lapse and the necessary assessment work was then performed on the first-mentioned claims sufficient to hold them in good standing until October 31, 1927.

While carrying out the assessment work, and by means of a dip needle, a very pronounced mineralized break was found to exist in the southwest portion of the property and, as a result of the assessment work being concentrated along its course, exposures were found that determined its lateral extension for at least 1,080 feet.

While sufficient work has not been done to allow the full importance of this find to be established, some encouraging results were obtained. The result of assays of samples being as follows:

Sampled from 0 to 5 feet across, zinc 7.56 per cent., lead 6.51 per cent.

Sampled from 5 to 9 feet across, zinc 1.85 per cent., lead 1.66 per cent.

One special sample of galena obtained, on assay, showed high value in lead and satisfactory showings of zinc and silver.

Will Diamond Drill

Because of these most encouraging results, you directors have now arranged for 2,000 feet of diamond drilling to be carried out in a series of comparatively short holes stretching out over the known length of the break. The contract for this drilling has been placed and the drilling will have progressed sufficiently, it is hoped, by the time of the meeting to allow your directors to advise you of the results achieved from the work then accomplished.

The financial statement shows a credit balance of $115,615.

We Solicit
inquiries from those interested in Canadian Mining Investments.
KIELY & SMITH
Members Standard Stock Exchange,
Canadian Pacific Bldg.,
Toronto, Can.

Mowat & MacGillivray
STOCK BROKERS
*Queen 610
New York Stocks
128 Sparks St., Ottawa
Montreal and Toronto Stocks
Orders Executed on All Exchanges
Private Wires
Mining Stocks

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CASH DUE WITHIN ONE YEAR
$256,000.00

STOCK HELD BY ONTABEC IN OTHER COMPANIES
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PLUS

15% ROYALTY IN HARVIE-ONTABEC

PLUS

25% INTEREST IN THREE SEPARATE PROPERTIES IN DUFRESNOY

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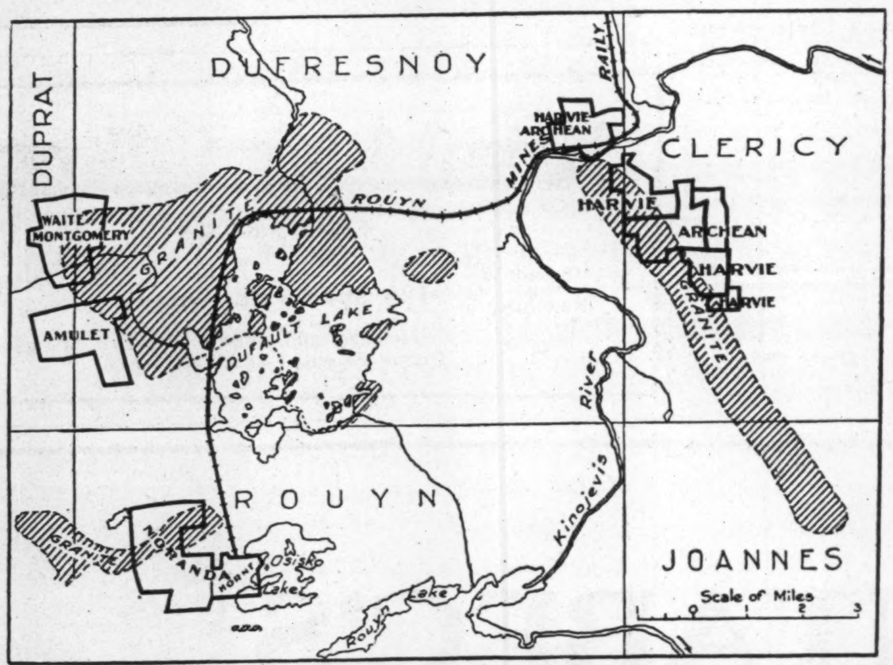
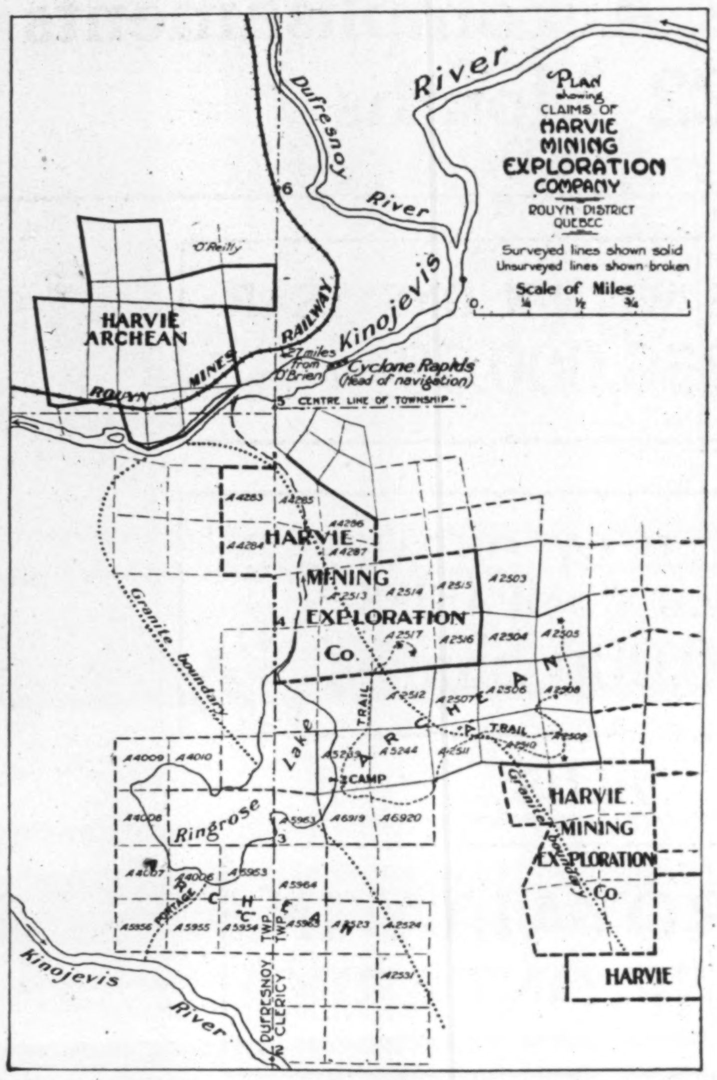
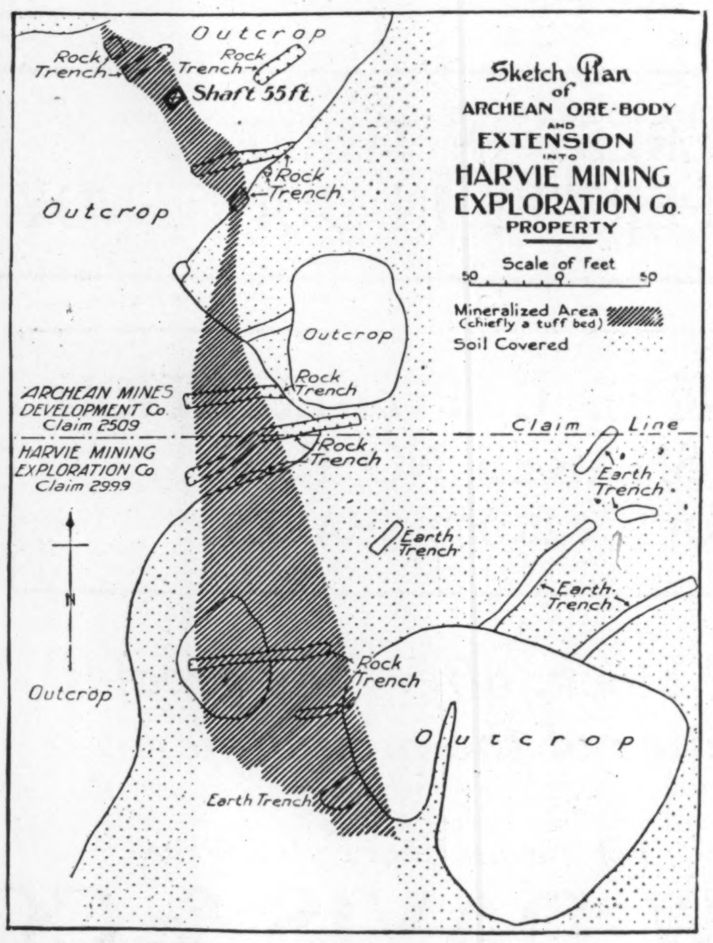
Harvie Mining Exploration Company, Ltd.


DUFRESNOY
DUPRAT
CLERICY
ROUYN
JOANNES
WAITE MONTGOMERY
AMULET
GRANITE
ROUYN
MINES
RAILY.
HARVIE ARCHEAN
HARVIE
ARCHEAN
HARVIE
HARVIE
GRANITE
DUFAULT LAKE
NORANDA
HORNE
Osisko Lake
Rouyn Lake
Kinojevis River
Scale of Miles
1 0 1 2 3

Rouyn Mining Area, showing relation of several principal operations to the margin of Granite Areas and to Railway Transportation.


PLAN showing CLAIMS OF HARVIE MINING EXPLORATION COMPANY
ROUYN DISTRICT QUEBEC
Surveyed lines shown solid
Unsurveyed lines shown broken
Scale of Miles
0 ¼ ½ ¾
Dufresnoy River
Kinojevis River
O'Reilly
HARVIE ARCHEAN
ROUYN MINES RAILWAY
27 miles from O'Brien
Cyclone Rapids (head of navigation)
CENTRE LINE OF TOWNSHIP
HARVIE MINING EXPLORATION Co.
ARCHEAN
Granite boundary
Lake
Ringrose
TRAIL
CAMP
PORTAGE
HARVIE MINING EXPLORATION Co.
HARVIE
DUFRESNOY TWP.
CLERICY TWP.
Kinojevis River


Sketch Plan of ARCHEAN ORE-BODY AND EXTENSION INTO HARVIE MINING EXPLORATION Co. PROPERTY
Scale of Feet
50 0 50
Mineralized Area (chiefly a tuff bed)
Soil Covered
Outcrop
Rock Trench
Shaft 55 ft.
ARCHEAN MINES DEVELOPMENT Co. Claim 2509
HARVIE MINING EXPLORATION Co Claim 2999
Claim Line
Earth Trench
N

Detail sketch of situation on south group.

AS THE Harvie operations are becoming more and more the centre of public attention, it is deemed desirable to describe fully the location of the properties, the nature of the mining problems and possibilities, and the purposes of the Company.

Reference to the two maps will show that the Harvie and Archean holdings constitute a distinct mining camp lying at the eastern end of the so-called Rouyn mining area, largely in the township of Clericy, and on the main line of the railway between Taschereau and Rouyn — roughly ten miles north east of the Noranda Mines.

The long narrow granite intrusive, eight miles long and a mile wide, is the outstanding geological feature of this area. Although the precise nature of the relationship of the Rouyn ore deposits to the intrusives has not been established to the satisfaction of everybody, it is a broadly recognized fact that the contact of the intrusives with the surrounding rock is a logical place to look for minerals, and in this case Dr. Harvie chose this general area because of the geological conditions and has had the satisfaction of locating ore according to plan.

Organization

The Harvie Mining Exploration Company, Limited, is organized in two divisions — Mining and Exploration — the first engaged in developing the Clericy properties, the second engaged in exploring several new areas which appear to hold promise of adding greatly to the more generally known mineral resources of Canada.

For the function of pure exploration as distinct from development and mining this Company is being organized and equipped to an unusual degree, and its technical staff, under the direction of Dr. Harvie, will combine geological, engineering and metallurgical knowledge in such a way as to enhance the possibilities of locating new ore deposits while reducing greatly the hazards and waste which so often accompany this first, and probably most profitable, phase of the mining industry.

Out of the experience of the past quarter of a century, and facing a future so vast in its possibilities that the whole economic outlook of the nation may be changed by its unfolding, the mining industry of Canada is developing a type of organization which, if soundly based and wisely managed, should grow with the growth of the industry to the steady enrichment of those who are associated with it.

Of this type is the Harvie Mining Exploration Company, Limited, which embodies certain ideas and ideals developed by Dr. Robert Harvie in the course of 20 years' association with mining, as field geologist with the Quebec Bureau of Mines and for sixteen years with the Geological Survey of Canada. These ideas which have been tested and are bearing substantial practical fruit in their first application — the Clericy operations — have now been fully developed in this Company which combines practical knowledge, tested business capacity and financial strength. And back of these is the determination that so far as it lies in the power of this Company investment will be safeguarded to the utmost.

And because larger and larger volumes of capital will be required to finance the mining industry of Canada, and because this Company will require a substantial share, and because public confidence is as essential to the anticipated future of this Company as technical skill, inquiries and correspondence are invited from those who would like to know more of its organization, its operations and its plans.

Present Operations—Geological Conditions

It is difficult to describe a mining situation in such a way that it can be understood by those who have little or no knowledge of such things, but if the reader will look again at the first map he will see the bodies of granite which were originally forced up through the earth's crust bringing with them the minerals in solution. These minerals are, according to common experience, found in the surrounding rock, near the line of contact between the rock and the granite intrusive.

There are many variations in the actual occurrence, and various theories prevail as to the processes of deposition, but the one described is fairly common.

History of Present Holdings

Owing to the marked characteristics surrounding this long narrow intrusive it appeared to Dr. Harvie to hold unusual possibilities for ore deposition. It is an interesting fact that when he was working in this very area twenty years ago a discovery of copper was made near the margin of this intrusive but it was too far from railway communication at that time to be of economic interest.

With his original exploration unit, the Archean Mines Development Company, Dr. Harvie commenced systematic exploration which resulted in the discovery of an intensely mineralized area lying along the contact. Its size and shape may be roughly judged from the fact that the outer boundary of the properties follows the outer limits of mineralization. It will be seen that the groups of claims lie across the contact. Viewing it as a single vast zone of mineralization the two companies, Harvie and Archean, may be said to own, or control, an area over three miles in length and almost a mile wide in which occurs a supposedly related ore zone extending throughout the entire length.

In September 1926, Dr. Harvie reported to the Archean Shareholders as follows:

"Before the season of 1925 came to a close it was realized that this Company possessed, within its 'Cyclone Rapids' group of properties, a defined area of mineralization (copper-gold) quite unusual in its extent. Since then it has been the object of the Board of Directors to gradually determine, through increasing knowledge gained on the properties, the method that should be adopted in dealing with the situation that would react to the best interests of the Company's shareholders. [redacted]

"It is doubtful if more than a few of the Company's shareholders realize the magnitude of the task of surveying and exploring this mineralized area within the 'Cyclone Rapids' group. It actually covers 40 claims, each as large as 24 city blocks. This total area of 1,600 acres is approximately 2½ miles long and 1 mile wide. A visual impression may be gained when it is stated that the same area, if laid down in Montreal, would stretch from Bleury Street, on the east, to the western limits of Westmount, and from the St. Lawrence River on the south to Sherbrooke Street on the north. This entire area is so mineralized that not one acre could be safely overlooked, and the fact that it is absolutely virgin bush, heavily timbered and with thick undergrowth, made the task of surveying one of very considerable proportion.

"The definite purpose of such a survey was to locate points where large concentrations of

Harvie Mining Exploration Company, Ltd.

mineralization might be found and from that to determine what would be the natural grouping of claims in relation to each other for purposes of sale or further development. From this it was expected that the clearest kind of policy could be formulated.

"Before the snow was off the ground, a base camp had been constructed. This consisted of two bunk houses capable of housing fifty men; a cookery-dining hall, an office, warehouse and dynamite and gasoline magazines. It was also necessary to cut wide clearings around every building, owing to constant danger of forest fires. The opinion has been expressed repeatedly by those who have visited our camp that it is a model prospecting plant. This is a matter of economy and value, as well as a source of pride, as such conditions attract and retain the best class of men and make for the utmost efficiency of working.

"The systematic work on the ground commenced with the cutting of more than five miles of road through the bush, after which each claim was divided by surveying into strips 300 feet wide. This necessitated the running of over 45 miles of survey lines.

"This work was done by parties who mapped every outcropping of rock and carried on magnetometric observations, thereby locating all points of mineralization. These were followed by working parties which combed every situation of apparent value by stripping, trenching, blasting and the sinking of test pits. The sinking of a 50-foot shaft provided much of the geological data on structure and ore conditions required to confirm the conclusions formed by surface work."

As a result of the season's work, the Company is in possession of a vast amount of detailed information, the most vital point of which Dr. Harvie embodies in his Field Report as follows:— "It is my conclusion that in three places on the property the possibility of as many separate mines actually exist.

The plan of first locating all mineralized sections within the area, which has been followed, while of necessity reducing the possibility of spectacular developments at any one point during its progress, has produced such accumulated knowledge as to amply justify the decision of the Directors in this respect. Great advantage lies in knowing that three possible mines exist, by what methods they should be attacked, and just what claims can now be combined to give the highest mining value.

"It should be remembered that successful operating mines may occupy at most four or five claims, and that a whole mining camp, consisting of four or five or more operating companies, is commonly concentrated within an area smaller in extent than that of the known mineralization possessed by this Company in its 'Cyclone Rapids' group."

Division of Property

The Harvie Mining Exploration Company took over for development the northern section of the area — roughly a mile and a half of the contact and the parallel mineralized zones. This contained one of the advanced mining situations, — Claim 2517, — which is now being developed by a tunnel being driven across the strike to cut three parallel ore zones which were uncovered on the surface.

Concurrently with this, further exploration has been carried on and two showings of probable importance have been disclosed and machinery for the sinking of a shaft on one — Claim 2514 — is now being installed. This makes two separate mining operations being carried out on the main Harvie Property.

The Harvie Company later secured control of the property adjoining the original Archean group on the south and intensive work revealed the situation shown in sketch No. 3, the Archean ore zone extending into the Harvie South group.

This sketch also illustrates in an interesting way a condition which is believed to exist throughout the entire three miles of contact now held by the Harvie and Archean Companies — a mineralized zone which parallels the contact at a distance of approximately 1,000 feet.

This condition is not yet fully established and an electrical survey is being considered as a means of more rapidly establishing co-relationship between the various ore zones.

A more detailed description of a very interesting technical situation is available for those who would like to have it.

A joint operation is being conducted by the Archean and Harvie Companies on the situation shown in the third sketch. A drift is being run from the shaft in the Archean ore body to follow the ore at depth across the line into the Harvie South group. The results of this work are beginning to attract considerable public attention.

In the belief that the mineralized zone extends across the South group, an additional small block of claims has been added.

In addition the Harvie Company holds a controlling interest in the group through which the railway passes.

To sum up the Harvie and Archean Companies own, or control, a continuous area of intense mineralization over three miles in length. Already in this, three situations have been disclosed which have every appearance of being developed into three separate mines. In the further development of these situations and the further exploration of what constitutes 75% of the area very large operations are planned which will call for considerable additional capital.

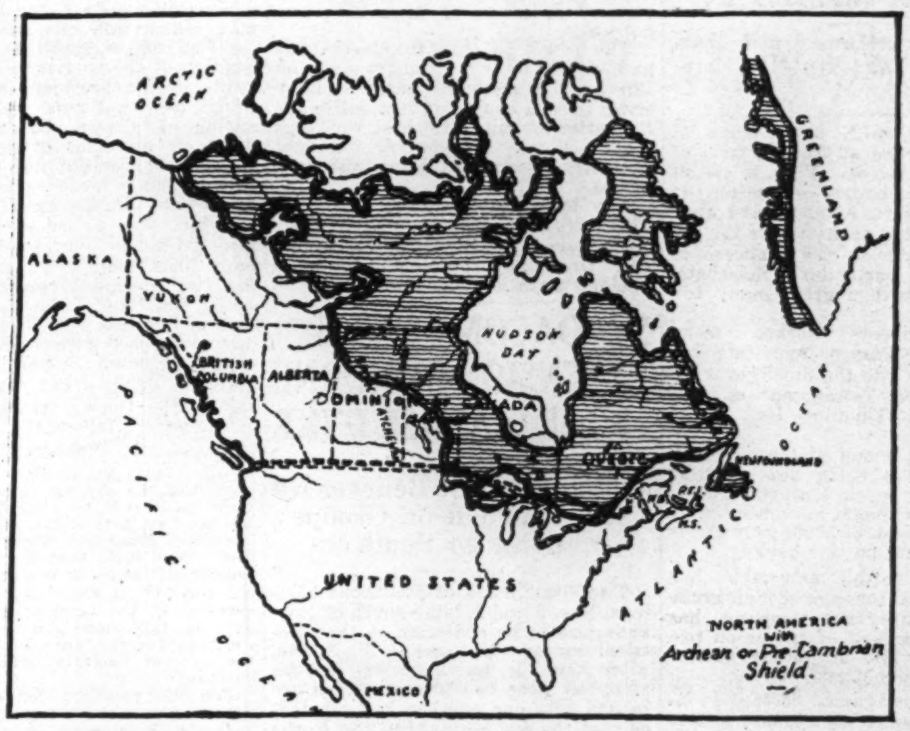
Inquiries as to any phase of the Company's operations will be welcomed particularly from those who are becoming interested in mining for the first time. Those who direct the Harvie operations believe that such people should be given an opportunity to study, and compare, and generally familiarize themselves with the methods of the various Companies before investing and are prepared to do their share towards a more general enlightenment.

To assist in a wider understanding, Dr. Harvie has prepared a geological map of North Western Quebec in colors, and to anyone who would like to know why geologists look forward to a great future for the Province of Quebec this should be of great interest. This is now on the press, and as the first edition is limited it is suggested that requests be filed at once.

All requests for information as to the Harvie Mining Exploration Company, Limited, the Archean Mines Development Company Limited, or for the geological maps should be addressed:

HARVIE SMITH & CO., Limited
616 Canada Cement Building, Montreal

For the benefit of those who are not familiar with the financial methods of the Harvie organization we would state that banking and other independent references will be furnished to permit and encourage thorough investigation.



As the accompanying sketch indicates, the Archean or Pre-Cambrian shield, the oldest of the earth's rock formations, comprises the greater part of Central and Eastern Canada.
It is Pre-Cambrian formation in which the Rand of South Africa, the Mysore of India and the mines of Australia are located.

All over the world this formation has proved rich in those minerals that industry demands for the needs of civilization.

Of the North American Pre-Cambrian formation (called shield because of its shape) the small tip in the United States, which represents only 3% of the whole, has provided in copper and iron much of the basis for the great industrial wealth of that country.

The remaining 97% is Canadian. The nickel area of Sudbury producing 85% of the world's supply; the silver mines of Cobalt; the gold fields of Porcupine and Kirkland Lake which now bring Canada to third place amongst gold-producing nations; the copper of Flin Flon in Manitoba; the copper-gold of Rouyn; these are all as yet mere scratches in this tremendous area of potential wealth production.

Eloquent Testimony to the Reality and Worth of Our National Heritage

That these prominent bankers have faith in the future of Canada's Mining Industry is shown by the following excerpts from their addresses at the annual meetings of the banks of which they are the heads.

SIR HERBERT HOLT

President of the Royal Bank of Canada

Interest in the growth of Canada's mining enterprises has never been so active as during the past year, and it is gratifying that the reports from the various camps show continued progress in practically every branch of this important basic industry.

Owing to transportation difficulties, prospectors in the past have not found it feasible to venture more than 100 miles on either side of the railways and navigable rivers, and, as a result, the great majority of our mining enterprises have sprung up within a few miles of the main railway lines. In the Rouyn and Red Lake areas the first attempt was made by mining men to utilize the aeroplane for the transportation of men, supplies and materials for the development and exploration of prospective properties. The success of this experiment has been attended by the organization of several parties of prospectors who will be sent by aeroplane into new and unexplored regions this next summer.

MR. A. W. AUSTIN

President of the Dominion Bank

Our mining industry is attracting more and more the attention of the investor, and development in Ontario, Quebec, and Manitoba is going forward on a scale far exceeding any similar movement in the past. New discoveries are constantly being made, and as yet the surface of this vast wealth has scarcely been touched. There is every reason for saying that a new era in Canadian mining is at hand, the extent of which we cannot begin to foretell.

MR. S. H. LOGAN

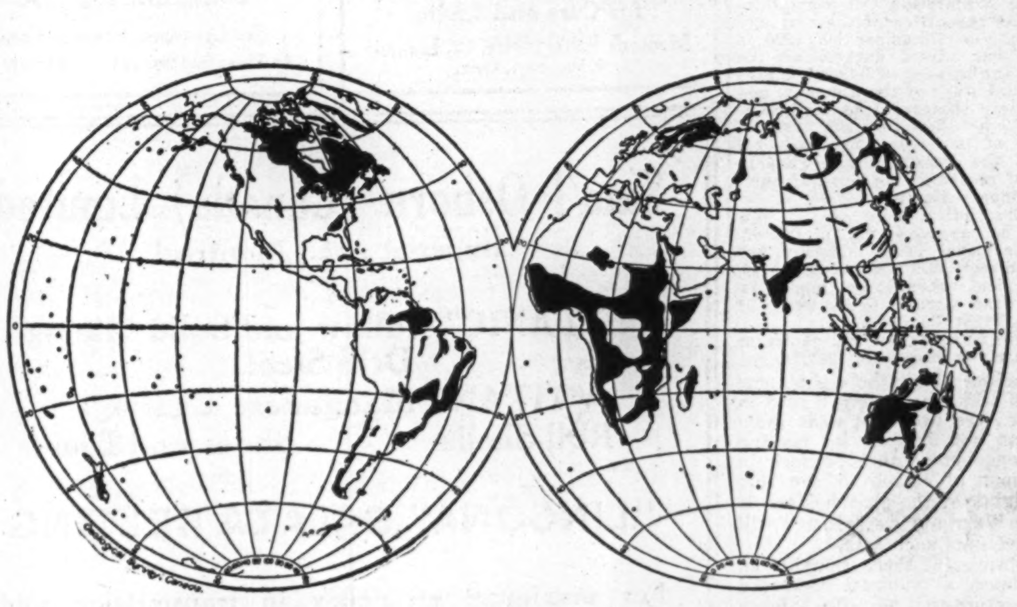
General Manager of the Canadian Bank of Commerce

An interesting sidelight on the railway picture is the outlook for the development of the mining industry along the lines of the Canadian National and the Canadian Pacific Railways east from Winnipeg, and the National Transcontinental line to Quebec. Gold, silver, nickel, iron, copper and zinc are all found here, and all these metals are in great demand at the present time. The mining development in the Rouyn field, and the waterpower and industrial development in the basin of the Saguenay, are most impressive. It requires little imagination to see heavy trains carrying coal and coke from the Maritime Provinces westward to the mines, and others carrying the ores and other products of the mines eastward to tide-water, over the National Transcontinental line, and on the agricultural lands of the northern clay belt in the vicinity of that line, the settlers prospering in the enjoyment of the home market for their products provided by these mines and mills.

MR. W. G. GOODERHAM

President of the Bank of Toronto

Our country is rapidly coming to the fore as one of the most prominent mineral producing countries of the world. The addition to our annual income from this source is already very substantial and is rapidly increasing. It is to be hoped that this development will not be accompanied by undue and indiscriminate speculation in mining shares, signs of which are even now beginning to appear.



Pre-Cambrian Outcrops of the World—Canada's favorable position shown.

TOWAGAMAC HAS 6,000 ACRES IN THE ROUYN CAMP

Alderson and Mackay, Managing Directors, Are Pioneers of Boischatel

RIGHTS TRADED IN

Shareholders Have Until Mar. 15 to Take Up New Stock

Towagamac, with 6,000 acres of ground in Northwest Quebec, most of which is in Boischatel Twp., is one of the largest individual operations in the area. Messrs. Alderson and Mackay, who are the sponsors for the enterprise are among the pioneers of the camp and particularly Boischatel Twp. They have a great many followers.

These engineers worked along quietly under Pioneer syndicate but came strongly into the limelight when they organized Towagamac and interested N. A. Timmins, Inc., in the venture.

The central group of the company in Boischatel is being developed by Mr. Timmins on an optional agreement. Developments have been most encouraging and $50,000 monthly is now being spent on this holding.

In addition to this main which has proven material tonnage of high grade copper and zinc, the company has started the erection of camps on two other groups and are doing assessment work on outlying claims.

Recently Towagamac decided to issue the balance of its treasury shares to shareholders at $3.50 and the rights for these are now changing hands. Accompanying the announcement of this plan was the report of the managing directors, Messrs. Alderson and Mackay, which contained much news of interest. It follows:

"The Towagmac Exploration Company, Limited, began its operations on June 11, 1926, when it took over all assets of the Pioneer Exploration Syndicate.

"The present holdings of the company comprise a 35 per cent. interest in the Alderson-MacKay group, consisting of 746 acres (besides underwriting privileges); a 60 per cent. interest in the Bell-Thomson group, consisting of 1,080 acres; a 45 per cent. interest in the Lake Fortune property, consisting of 320 acres, and 292 acres, which take in the Francoeur and other claims, all in the Township of Boischatel; seventy-one 40-acre claims in the Township of Duprat, of which sixty-four are contiguous in one group and adjoin the Coniagas Mining Company's holdings to the west, and the Consolidated Mining and Smelting Company's holdings to the east; six 40-acre claims in the Township of Dasserat; five 40-acre claims in the Township of Montbray; and four 40-acre claims in the Township of Joannes, making a grand total of 5,878 acres.

Option Exercised

The Alderson-MacKay Mine is developing very favorably. N. A. Timmins, Incorporated, have exercised their option on this property by making a final payment of $90,000. Under this option, 4,300 feet of diamond drilling was done, also 150 feet of sinking, and 470 feet of lateral work on the 125-foot level. Already 225,000 tons of ore of commercial grade have been blocked out and indicated by this development work and the limits of this ore body are still to be determined. In addition to this development, there are a number of other ore bodies of good dimensions and of commercial grade outcropping on which no development has been done except trenching and sampling. An electrically driven 1,000 cubic foot compressor has been installed and an aggressive development campaign will be carried on until spring, when the matter of forming a company to bring the property to production will be considered.

"Sampling and drilling operations are being conducted on part of the Arntfield Gold Mine Syndicate holdings with a view of amalgamating this ground with some Towagamac claims. This will comprise a block a mile square, on which preliminary trenching and sampling gave favorable results.

Diamond Drilling

"A diamond drilling campaign is now being carried out on the Lake Fortune property. Up to the present four holes have been drilled, with a total footage of 1,700 feet. Results on this drilling will not be conclusive until at least 4,000 feet have been drilled.

"The company has at present $288.282 cash on hand. With the disposal of the balance of the treasury shares at $3 50 each, the treasury will show a cash balance of approximately $800,000."

The letter addressed to shareholders by President Jas. J. McFadden regarding the stock issue is as follows:

President's Letter

"At a meeting of the directors of the Towagamac Exploration Company, Limited, held at the office of the company in Montreal, on December 30, 1926, a resolution was passed authorizing the issuing of the balance of 149,990 shares of the capital stock of the company, and offering these shares to the shareholders at $3.50 per share, on the basis of one share of new stock for each six shares of the outstanding registered holdings of record at the close of business on January 15, 1927.

"The subscription price of the new stock will be payable in full at the office of The Royal Trust Company, 105 St. James Street, Montreal, on March 15, 1927. Payment should be made by cheque or draft payable to the order of The Royal Trust Company.

"The right to subscribe will expire at 3 o'clock p.m., on March 15, 1927."

After telling about the rights now issued and which are being traded in around 18c., the president adds that:

Warrants not utilized in making subscriptions before three o'clock in the afternoon of March 15, are void and the rights of the shareholders to whom the Warrants were issued will be cancelled as of such date.

If on March 15, there remains an unsold balance, a syndicate composed of the Directors will buy this balance at $3.50 per share.

850,010 shares of the authorized capital stock of 1,000,000 shares has already been issued, so that on the sale of 149,990 shares, the total capital will have been issued.

Horne Mines' Transition from Prospect Stage to Operating Mine Shown

In traveling through the Horne mine one can notice the transition of the mine from the prospect work to that of the proven mine getting ready for production.

The first level really represents the prospect effort. The drive was to find ore. If it was there they might have a mine.

The all essential was speed, not uniformity of levels or drift or crosscut walls.

The result is that the level of a number of the drifts and crosscuts on this horizon are being altered. Lowering them a couple of feet will make for better haulage. In these workings there is a considerable amount of water, sometimes three and four inches.

The third level is very different. The work done was on a more thorough scale. The levels are better laid out. Drainage is better and the main haulage ways are much wider.

STADACONA SEEKS EXTENSION OF HORNE WIDE DIABASE DYKE

Mgr. J. P. Norrie Believes He Has Found It on Groups Lying to South

Two large blocks of Stadacona holdings, Nos. 8 and 2, lying south of Noranda, are to be subjected to the electrical survey. Manager J. P. Norrie, after making an inclusive surface study of these two groups, which are in line with one another, has concluded that the diabase dyke of the Horne or one identical with it, cuts through the two Stadacona groups.

Mr. Norrie has studied the Noranda workings carefully and has since opened up on surface on his own operation, a diabase dyke identical in width.

Because the Horne ore bodies are flush up against this dyke, Mr. Norrie has decided that the dyke is the real bit for Stadacona and plans to have an electrical survey made going down each side of the dyke for a width of 1,700-ft. on a total width of 3,500-ft.

The company has large holdings here, the two blocks being separated by a group of Rubec holdings.

Mr. Norrie's latest report says:

Rock trenching of Block 8, adjacent to the Horne property of Noranda, has revealed a mineralized fracture for 150 feet near the extension of the west contact of the Horne Diabase Dyke. This fracture has carried high copper and gold values throughout and, in places, over good widths. The last assay of this mineral ran 8.60 per cent. in gold and 5.62 per cent. copper. I am of the opinion that an electrical survey will indicate an ore body here. This property, along with Block 2, has been cross-sectioned, and Dr. Lundberg will conduct an electrical survey on these properties. Along the entire course of the Horne Diabase Dyke, mineralized float, high in copper and gold, occurs. This float appears to be near its original location. This, coupled with several fine surface indications, leads me to believe that the Lundberg survey will indicate several ore bodies along the Dyke. A magnetometer survey on Block 27, on Pelletier Lake, has been completed. Readings from this instrument have revealed the presence of a diabase dyke crossing the southwest section of the property and near the contact of the diabase, a highly mineralized rhyolite has been uncovered. The discovery is under ten feet of overburden, and further trenching and blasting is now being done on Block No. 1.

South of the recent find of the Ribago, magnetometer work will be started on Blocks 13 and 14 and, as the Ribago formation strikes in the direction of these groups, interesting results are expected. Camps are now being built on Block 17 north east of the Amulet, and from this location active development will follow on groups 7, 15, 16, 17 and 18 As these groups cover over 1,000 acres in one of the most highly mineralized sections of the district, it is hoped that valuable ore bodies will be found."

ACQUIRES GYPSUM PROPERTIES

SYDNEY.—H. B. McCurdy, Sydney, has acquired extensive gypsum areas at Red Head, near Baddeck. The properties will not be developed immediately.

Bennnett Mining Co., Sesekinika, in cross-cutting north and south from the shaft on the 500-ft. level, have already cut two south and one north veins. The south drive has progressed 300 and the north 280 ft. High-grade and telluride ore showed in the last two veins cut.

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CROWN RESERVE IN NEED OF $300,000 TO PUSH OPERATION

Company Did Not Meet With Much Success in Financing Effort

Crown Reserve shareholders are now receiving Pres. W. J. Gear's report, which calls the annual meeting for Feb. 23 and outlines the present position of the enterprise. The statements of the president indicate that things have not gone well. The financing of Crown Reserve Consolidated by an offer of preferred and common shares did not go well and subscriptions were retained. The sale of the Larder Lake group, work on which was halted early last summer, did not go over, so that the company finds itself in a position of having two groups of property, Larder Lake, Ont., and Lake Fortune, Que., and no finances. Mr. Gear points out that to proceed with operations would require $300 000. A limited amount of diamond drilling has been arranged for on the Quebec group.

The report follows:

Finances

It is with regret that I have to report that the several negotiations that were considered by your directors during the first half of the year concerning suggested plans and offers for refinancing, were such that they could not recommend same to you for acceptance, consequently it was decided to stop operations at the Larder Lake claims on June 11, 1926, until you had been called together for the purpose of discussing the general financial situation of the company.

You will recollect that at this meeting, held on July 19, 1926, it was decided that a new company should be formed for the purpose of taking over the assets and undertakings and assuming the liabilities of the Crown Reserve Mining Company, the new company to be called the Crown Reserve Consolidated Mines, Limited. This proposal was ratified at a special meeting called for August 14, 1926, and arrangements were then concluded whereby the new company took over the holdings, etc., of your company on the basis of giving one share of their stock for every three shares of the stock of the Crown Reserve Mining Company that were outstanding at that time. The transfer duly took place as at August 31, 1926, and since then the new company has undertaken the responsibilities and expenses of operation of the various properties.

The directors of the Consolidated Company subsequently made an offer to the shareholders of the Crown Reserve Mining Company of units of stock (consisting of one preference share and one ordinary share) at a price of 80 cents, but the response to this appeal was unsatisfactory and it was decided that the subscriptions received be returned, which was done.

A special meeting of shareholders was called for January 12, 1927, to consider an offer of purchase of the Larder Lake properties and plant, at which sufficient shares were not represented to allow of the matter being dealt with.

It is very important that this company, at present the only large shareholder of the Consolidated Company, must seriously consider its financial position. If it is decided that further work is to be carried out on your Larder Lake property, or the Lake Fortune properties, sufficient funds must be supplied, or assured, that will enable the operations to be carried through to a producing stage. For this purpose a sum of approximately $300,000 will be required.

Cobalt Property

Lease.—The lessee continued his prospecting and development work during 1926, and the net amount accruing to your company, prior to its sale, amounted to $2,515.69.

Ore-dump.—Hand sorting of this dump was not carried out during the year, but an arrangement was entered into with the O'Brien Mining Company, Limited, whereby certain tonnage of the dump was taken and milled by them as sample runs and to allow of their ascertaining if the results would warrant further treatment of the whole dump. The results were not satisfactory, however, and resulted in no profit to either party.

Larder Lake Property

Underground work, on a limited scale, was carried out on your Larder Lake property until June 11, 1926, when the lack of finances caused your directors to stop development operations. Since that date the mine has been kept dewatered and the plant and equipment kept in a condition to allow for immediate resumption of activity.

The development work done has not materially affected the ore reserves as detailed to you at the last annual meeting. The resident engineer's report covering these operations will be read to you at the meeting.

Plant.—The plant was maintained to a proper state of efficiency during the year.

Exploration.—All assessment work was performed on the unpatented claims and patents were applied for on three claims. Four claims were allowed to lapse which, on examination, showed little or no promise.

No further work was performed on your Quebec claims, these being in good standing until April, 1927. Arrangements are now being made, however, to carry out a limited amount of diamond drilling on these claims in order to prove up at a lower horizon several very promising indications that have been located by previous surface work. We hope to be able to report to you the result of this drilling at the annual meeting.

Porcupine Crown Mines

As your company owns a substantial interest in the above company, I have to report that the British Porcupine Mines, Limited, who acquired the property at Timmins, Ont., have since sold all their interests to the Vipond Mining Company, Ltd., on terms which will result in the Porcupine Crown Mines, Ltd., receiving 71,428 shares of the stock of the Vipond Company in exchange for the holdings they have in the British Porcupine Mines, Limited.

I have also to report that the claims held by this company in Guyenne Township, of Quebec, have been prospected during the past year, resulting in a promising discovery of a lead and zinc ore body. The company has now undertaken to carry out 2,000 feet of diamond drilling on these claims, by which it is hoped that the surface showings will be found to continue to depth carrying ore of a profitable nature.

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Parora Mines to Work on Group in Duprat

Plans are now under way for the installation of a mining plant on the Parora Mines' property at Cobalt, for the purpose of developing the veins recently uncovered on the surface, from which very high silver values were obtained. The company will immediately sink No. 1 shaft to 150 feet and crosscut to intersect vein shown on the surface. Considerable ore of high cobalt content has already been obtained from the veins in the open cut on the surface. Derby and Co., of London, England, have contracted to take a first shipment of some 25 tons of cobalt ore on terms advantageous to the company.

Directors also plan to carry on a thorough exploration campaign of the Quebec properties of Parora, which are adjacent to Consolidated Smelters and Duprat.

Jay Copper Mines Making Good Progress

About 25 men are at present employed on the Jay Copper Gold Mines. Driving, both to east and west, on the 200 foot level has commenced, and about 125 feet of drifting along the vein has been accomplished. Ore has been encountered on both faces with especially high grade on the west face.

Speaking of the development, H. J. Stewart, consulting mining engineer and managing director of the Jay Copper Gold Mines states that the property is shaping up nicely, and that the company is driving a third crosscut to the south in order to tap number two and number three veins. Number two vein should be reached this week and number three, next week. The results which are achieved on number two and three veins will determine in a large measure the future development policy of the company.

AMERICAN SMELTING IN QUEBEC

McDougalls-Cassels properties in Rouyn are said to have been taken over by American Smelting. The group in Duprat, dropped by Consolidated Smelters, was grabbed up by the same interests. The properties are near the Rouyn-Boischatel-Duprat boundary.

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F. S. Arntfield,
President & Managing Director.

THIS Company has under development seven large groups of claims comprising an area of 4,500 acres located in the Central Part of Boischatel Township, Quebec. These groups tie on to such outstanding operations as TOWAGMAC, CONSOLIDATED MINING & SMELTING CO., TONOPAH MINING CO., LTD., NORANDA-ARMSTRONG, and VICTORIA SYNDICATE, LTD.

The properties of ARNTFIELD MINING SYNDICATE, LTD., constitute one of the major holdings in the entire Rouyn district.

Reliable information may be obtained at all times on request.

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Face of Archean Mines Drift Practically Solid Metallics

Operation in Clericy Opens Up Body of Pyrite, Chalcopyrite and Zinc

ORDER THIRD PLANT

Heavier Equipment Will be Placed on Main Operation and Third Started

Operations of Archean Mines and its subsidiary, Harvie Mining Co., Clericy Tp., Quebec, rank in the front row of the attractive development operations in the copper area. It is a keen, intelligent development that has been meeting with such a measure of success that just recently an order was placed for a third mining plant.

When the writer visited the property early in January, a prospecting drift was being run on the 45-ft. level of the foremost operation to cut an important copper showing which has been opened on surface by a series of cross trenches. Since then the drift has got into the ore. The face is almost solid metallics consisting of iron pyrites, chalcopyrite and zinc. A 75 lb. sample from the face shows quite an attractive chalcopyrite content, while the whole of the sample was streaked with zinc.

Width Attractive

Only one more massive specimen of ore was seen by the writer and that was the large Horne ore bodies. There are, of course, others equally so, such as Towagamac, Amulet and Waite. This drift leads to a large mineralized zone which has been trenched on surface in nine different places and shows in the first trench a width of 14-ft. and a $9 copper content. It is much wider farther on. The zinc values did not show in the trench which the drift was approaching when the attractive zinc showing appeared in the face. The shaft and trenches pass through some low ground from the Archean property and are picked up on a property under option to the Harvie Mining Company.

It is on this operation that Dr. Harvie proposes to immediately instal a steam plant and to move the portable gasoline plant to another operation. The steam plant will allow for a heavier operation and the exploration work will be materially speeded up.

Running an Adit

The second operation is on the Harvie Mining holding to the north of the Archean. On claim 2517 a tunnel is being run into the side of an immense hill. This adit was just started when the writer visited the property and the real face in the rock for starting the tunnel proper, had been prepared, after 40-ft. of open cut work. It was only supposed to be in rock, yet the whole face was intersected with seams mineralized with chalcopyrite and pyrrhotite and in addition quartz veins.

This adit is designed to cut two excellent surface showings on the side hill. In 275-ft., at a depth of 70-ft., the first showing will be cut and 375-ft. further the second will be intersected at a depth of 145-ft.

Much Surface Work

Much surface work was done on these showings, including trenching and test pits, and they have revealed similar joint seams, which from the experience of Noranda and others, are accepted as being immediate forerunners of commercial ore. This is perhaps what is indicated in No. 2 test pit which was sunk 12-ft. on this showing. Here the chalcopyrite was massive with depth.

Replacement Veins

Down the hill in a westerly direction the several pits and trenches show somewhat similar conditions of mineralization, evidently being replacement veins of chalcopyrite with associated pyrrhotite, the latter at times being quite massive. Two of these pyrrhotite veins, each approximately one foot wide, one of which is about 130 feet long, were discovered by the magnetic survey. The general dip and strike of all these veins appear to be the same. those below conforming with the strike and dip of the veins on top of the hill, namely, strike approximately N. & S. dip about 45 to east.

The general opinion of those who have visited the property is that these mineralized areas give a very strong suggestion of being the margins of ore bodies and the only way to ascertain this is by underground development in order to find out whether these surface showings are the tops of ore bodies of commercial value. The extent and strength of this mineralized area seems to favor this assumption.

Three Distinct Showings

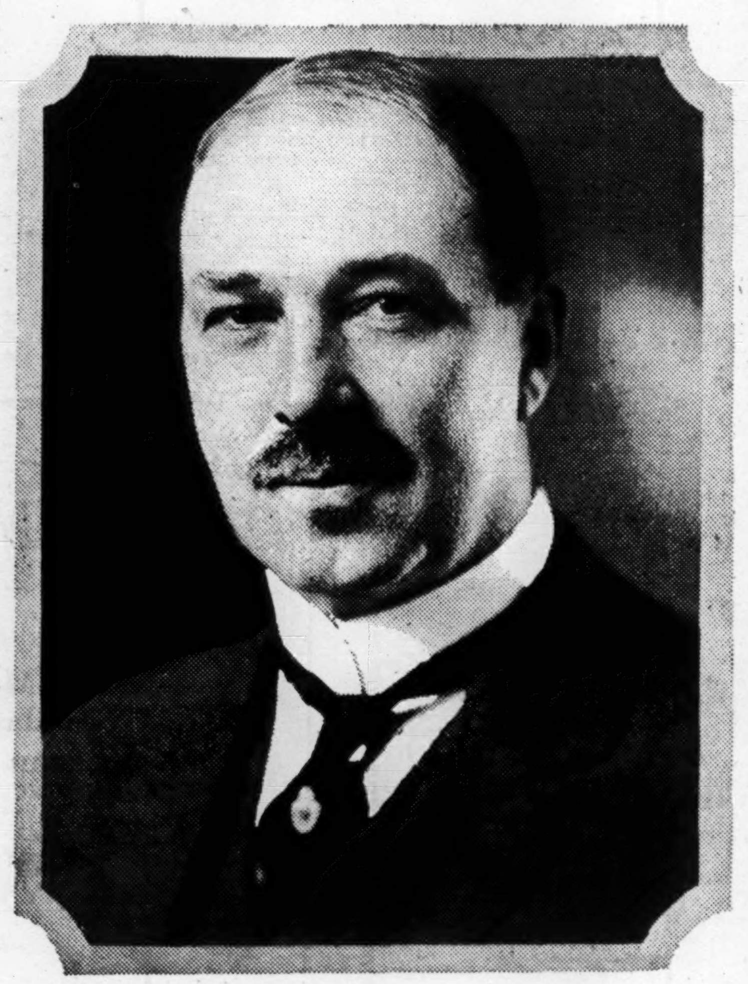
It is rather an interesting fact that Dr. Harvie has opened up three distinct showings on his holdings, all three being about 1,000-ft. from the granite contact and on the strike of the granite, each being about a mile from each other. This condition continues onto other properties to the southeast.

There have been several other important Harvie showings, about which the company is quite reticent. In one case the writer came across a character sample, about 30 per cent. of which was massive zinc with zinc distributed finely throughout the balance.

A Zinc Discovery

Dr. Harvie said that he had made a discovery of zinc in a surface trench on another part of the property. Assays showed 10 to 17 per cent. zinc and $4.80 in gold. Not much work has been done on this showing and the same applies to a couple of other important showings, but with the third plant on hand one of the other important ones will be tackled.

Pioneer in Quebec Field



Dr. Robert Harvie.

The president of Harvie, Smith & Co., for many years associated with the Geological Survey of Canada and before that the Quebec Department of Mines, now stands out as one of the leading operators in the Quebec copper area. Details of his companies will be found on this page.

Giant Hill on Archean May be Ore Mountain

Memorandum Outlines Full Geological Situation and Results Obtained in Intensified But Confined Surface Study of Part of One Group

The main attention of the Archean people is focused on the Cyclone Rapids group at present. Full details of the operation as it stands to-day will be found in the adjoining article. However, full details of this operation have not heretofore been published by any paper, and for this reason, the following memorandum which was first issued to the writer as confidential, but since released, and which details much of the early history of the operation is of importance:

General Geological Situation

The outstanding geological feature of this area is a long narrow granite intrusion approximately eight miles long and one mile wide. These claims are situated on the northeast contact of this intrusion in such a way that two miles of the contact lie within the scope of the claims. The general surrounding rock is a greenstone, into which the granite is intrusive.

In common with the situation on the more highly developed properties of Noranda, Waite and Amulet, it is believed that the ore deposits on this property are definitely related to the intrusive granite, although it is not yet possible to establish the relationship. It was, however, the presence of this granite in company with prospects showing gold and copper which first attracted attention to this vicinity. Whether accidental or not it is a fact that the two most notable showings of ore on the property, and a third of undetermined magnitude, all occur at almost identical distances from the granite contact, although there is a distance of two miles between the first and third, with the second approximately half way between them.

Geological Theory

In general it may be said that the present trend of geological theory accepts a close relationship between gold and copper in their mutual origin in granitic intrusions.

The larger portion of this property —18 claims in all—covers a hill which is the outstanding topographical feature in this vicinity. From the top, it commands a view for forty or fifty miles in most directions. Definite indications of mineralization have been found over the entire hill which occupies an area about twice as large as the Horne (Noranda) property.

The first definite discovery was made near the southwest corner of claim No. 2509, which is the south east corner of the property and the hill. The only indication on the surface was a film of rusty material. This proved to be less than 1/16 of an inch in thickness, beneath which fresh chalcopyrite (copper pyrite) was obvious on breaking into the rock. In view of the development here and in every other rusted area so far touched, the ultimate possibilities which lie unrevealed in the extensive areas of rusty material known to exist on every claim cannot even be guessed at.

Surface Exploration

Surface work on this showing developed a body 140 ft. long with a central portion 90 ft. in length, 30 ft. wide at one end and 20 ft. at the other. In view of the length it is reasonable to expect a corresponding dimension for depth. In general, the ore may be said to resemble the Noranda and Waite ore, being predominantly copper, with varying values in gold and silver.

It is fairly obvious on the ground that there is faulting at both ends of this body subsequent to ore deposition. The probability of finding the extension of the ore body beyond the fault will occupy a leading place in the program of work now being planned. In the meantime, it can be stated that on the north west end on the opposite side of the fault and approximately 100 feet to the south west side, a mineralized zone containing chalcopyrite has been found in such relation as to suggest that it is the extension of the ore body. The length or character of the zone was not determined, as in the very short time available before the snow came every effort was bent towards making a general survey of the property. Assuming that this zone does represent the extension of the ore body, vigorous work should be carried on with a view to discovering possible ore bodies along its continuation. Since it is believed that the ore is a replacement of the finer material of a tuff bed and since, in the Rouyn area the tuff beds of the greenstone have pronounced continuity, such a continuation as suggested above is entirely reasonable and may very well lead to other and even larger ore bodies.

Another Strong Zone

At an additional 150 feet to the south west another strong mineralized zone has been noted which in places consists of six inches of solid pyrite with an inch or two of chalcopyrite and is traceable for a distance of roughly 600 feet on to the Thompson claim. The strike of this zone is at right angles to the other and it is not yet understood what relation it bears to the first mentioned.

Approximately 1,500 feet to the north, a knoll of rock 200 x 35 ft. shows through the soil and can be seen to be copper bearing. The results of a series of blasts indicate that the knoll is a body of low grade copper ore.

This is the result of work done on and exploration of one half of one claim. The other half is still to be examined.

The second centre of activity was on claim No. 2517 on which the ground rises rapidly to the east from the granite contact. On the crest of the hill a rusty hummock approximately 590 x 35 feet has been examined in three test pits. In two of these the joints of the rock are filled with chalcopyrite. The third test pit to the north has similar conditions at the surface, and in addition there are two stringers of massive chalcopyrite and pyrrhotite, which being followed to a depth of 12 feet led into a body of 5 feet wide which is estimated to carry 8 per cent. copper. The ore at this point is obviously replacement material and the presence of pyrrhotite and its generally more massive character lend strength to the belief that the ore will have great continuity in depth.

Drive in With Tunnel

In a gully to the north and at a lower level than the test pit a cross trench 25 feet in length showed films of chalcopyrite in the joints of the rock across the entire length. At the east end of this trench a shallow test pit showed two stringers of massive chalcopyrite 8 inches wide. In view of these results and the general impression that this gully may be due to the presence of a large ore body, further exploration of this gully is part of the program for immediate work. Leading off to the north east of the hummock is a more or less parallel gully which has been noted for very careful examination for similar reasons. About 400 feet to the north west and about half way up to the slope of the hill an area of rusty weathering rock 150 x 75 feet has been stripped bare and shot into in a number of places, again revealing the presence of chalcopyrite in the seams. It is the intention to explore this situation by a prospecting tunnel which can be driven very economically in view of the favorable position.

On the east line of 2516 a trench was run across a prominent gully which is traceable for a quarter of a mile either way and which in many places by rusting of the rock wall gives evidence of considerable mineralization. It was not possible to reach solid rock in all points in this trench but towards the south end there was discovered a quartz vein 2 feet thick carrying rather abundant chalcopyrite and pyrite. This trenching was the last work done, but it is obvious from the results already obtained that a number of additional trenches should be run across the gully. This completes the account of results obtained by special work.

Same Distance from Contact

On claim 4286 casual prospecting showed an area carrying chalcopyrite seams similar to several situations already described.

As mentioned before it is significant that the showings on three claims described are situated at almost identical distances from the granite contact, and that those on claims 2509 and 4286 are two miles distant from one another, the whole intervening area being as yet unexamined except part of 2517 as already described.

In the course of running claim lines the following areas of rusty mineralization have been noted and will be examined in due course. Crossing the intersection of 2503, 2504, 2515 and 2516, an area 5/8 of a mile by 500 feet wide; on the north line of 2505, 1,500 feet long and unknown width; on 2506 two areas are known, one 200 feet long accompanied by some chalcopyrite, and a second area about 300 feet long and probably 100 feet wide.

Out of the group of 32 claims, 18 are considered to have prime mining merit and of these only two have been examined and these only partially so, although giving the results described. There is every reason to believe that the remaining 16 will prove to be equally good. If this should prove to be the case this group will undoubtedly have exceptional value and if the natural conclusion to be drawn from such evidence of widespread and consistent mineralization is justified this hill will yield a really great mine.

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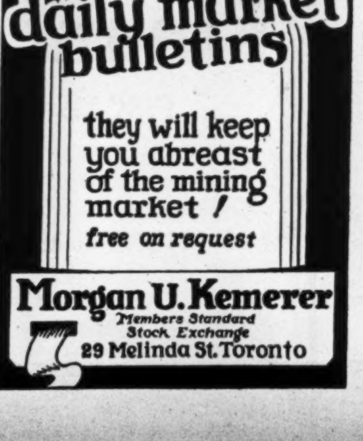

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they will keep you abreast of the mining market !
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Morgan U. Kemerer
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29 Melinda St. Toronto

Towagmac Exploration Company Limited
"No Personal Liability"

CAPITALIZATION - 1,000,000 Shares of $1.00 each

Officers and Directors
J. J. McFadden, Pres.
W. P. Alderson, Vice-Pres.
A. A. MacKay.
A. H. Chitty, Sec.-Treas.

Directors
N. A. Timmins.
A. A. MacMartin.
W. B. George.
E. L. Myers.
One to be appointed.

Organization
Alderson & MacKay, Consulting Engineers,
and a staff of highly trained Mining Engineers and prospectors.

The Company was organized as an exploration and development company. The organization is for the purpose of examining, exploring and developing properties.

The Towagmac Exploration Company Limited will examine properties with the view of buying or cooperating with the owners in the early development of the property.

All correspondence and personal inquiries will receive prompt attention.

NEW BIRKS BUILDING MONTREAL

INTENSIFIED STUDY OF SURFACE MARKS ROUYN VENTURES

Systematic Study of Geology Unlike Any Previous Effort

TEARING UP SURFACE

Great Trenches Are Run in Solid Rock to Study the Mineral Zones

The very immensity of the Rouyn country is having beneficial results in a way that is hard for many people to understand. In the past, in other new camps, as soon as a surface showing was discovered, the hunt stopped and sinking operations began. The result is that there was a great waste of time, effort and money, in numerous cases. Frequently it was found later that the shaft had been sunk in the wrong place; that there were better showings elsewhere, and that a good deal of work already done was wasted.

In Quebec, where the country is rugged and the overburden heavy carrying out an exploratory program is very difficult and it is hard to size up the prospects of any property without a great deal of effort.

Explains Slowness

The writer has heard several concerns criticised for their slowness in getting sinking operations under way One gets a good answer in walking over these properties. From time to time there has been comment made on the intensified prospecting effort that has been going on in Quebec. The reason is that all are looking for another Horne and the only way to find it, if it exists on a property, is to tear the surface to pieces.

This has been the case on numerous properties. While many could be cited two will suffice. One was Consolidated Smelters in Duprat Tp. and the other Harvie Mining in Clericy Tp Never were tasks planned or carried out with a greater degree of thoroughness than the surface work on these properties.

Studied the Surface

Minutely the surface was studied and this meant in many cases removing dense timber growth and then digging down through many feet of over burden. Where encouraging mineralization was found in the underlying rock, this was torn to pieces with numberless crosstrenches, sunk anywhere from 5 to 15 feet in solid rock and run in some case for 100 ft. in length.

In both cases tremendous amounts of geological data were gathered and also good ideas of the values. Smelters on its property got disseminated copper values that were not considered encouraging and so the ground dropped. Harvie Co. got sensational copper values in some cases and over substantial widths and lengths got encouraging commercial ore and with the result they are now busy on an equally intensive underground program.

Perhaps another case is Laval on the old Argonaut group. The company's engineers spent the summer in systematic study of the geology.

Amulet

Head frame at the main operation of Amulet Mines, adjoining Waite.

How to Secure the Greatest Profit, Problem for Noranda's Smelter

Noranda has a smelter problem. How to get the greatest profit from the copper and gold content of its ore. Recently it had tests made at Okawa of its "C" ore body. It's a problem of tailings. Raising the gold extraction may lessen the copper or vice-versa. J. S. Godard, who made the test found the following on an analysis of 115 lb. shipment:

Gold	0.04 oz.
Silver	0.22 oz.
Copper	4.60%
Zinc	None
Iron	19.83%
Insoluble	50.64%
Arsenic	Trace
Lead	None

The report says that in the concentration of this class of ore, selective action of the copper cannot be carried too far, as it is done at the expense of the gold values. The gold seems to be associated to some extent with the pyrite in the ore and the aim should be to make a concentrate of 12 to 15 per cent. copper containing as well the pyrite in the ore, eliminating in the tailing only pyrrhotite and gangue. When such a concentrate is made it contains 95 per cent. of the copper values and 80 per cent. of the gold values. The economic point is one of balancing smelter costs of treating the lower grade concentrate against the loss of gold values in the higher grade concentrate and also in determining whether it is cheaper to smelt the ore direct as against concentration to this grade with the loss of 5 per cent. of the copper and 20 per cent. of the gold. The 20 per cent. loss of gold values is less than 20 cents per ton of ore of the grade submitted.

MINING STEADILY PUSHES EDGES OF CIVILIZATION BACK

Financial News of London Publishes Article on Canadian Mines

Canada fared fairly well in a recent issue of Financial News, London, featuring Empire mineral resources. "Canada, a vast storehouse of minerals" is the title of a leading article by Canadian Natural Resources Bureau. It is a fairly concise picture of the Canadian mining situation. What the Canadian industry means in the opening of vast northern areas is well pictured in a statement taken from Dr. Chas. Camsell's annual report as Dominion Deputy Minister of Mines:

"Not only is progress made from year to year in the development of minerals from known fields, but as time goes on new fields are being discovered, which, though they take years to come to the stage of actual production, all tend not only to strengthen the mining industry in the general industrial life of the country, but to open up our great northern region to settlement for agricultural purposes. One has only to read our past history to appreciate the fact that time and again Canadian development has received incalculable impetus from mineral discoveries, and the colonizing and civilizing influence of such discoveries may be seen in the history of British Columbia, Yukon Territory, Northern Ontario, and more recently western Quebec.

"To gauge the national value of our mineral industry merely in terms of the number of millions of dollars' worth of metals produced is to present only one side of the picture. It ignores, perhaps, the greatest lesson of mining history, namely, that mining contributes to national development a vital and indispensable service which reaches far beyond the mining industry itself. Our northern country might lie dormant for generations were it not for the fact that the exploitation of mineral deposits acts just as a catalyzer in a chemical reaction. It causes the surrounding region to spring to life, and encourages and even compels the development of agriculture and other permanent industries. So that, while the mineral wealth does ultimately become exhausted, there is left behind a legacy of permanent development, in some cases vastly surpassing in importance the mining development itself. In this way the mining industry operates as one of the chief factors in spreading across and over the Dominion."

In the review of different minerals of the Empire, Canada features in many places, its various leading metals being given considerable attention.

CRYDERMAN DRILLING

The first diamond drill hole is nearing completion on the Cryderman property of Mining Corporation in Central Manitoba. The hole is to be driven down 750-ft.

Wide Mineral Zone On Marclay's Group

Marclay Mines, with the extensive holdings in Boischatel Township, has made splendid progress since work commenced on the property in July, 1926. Recent copper assays the company announces as 24.79 per cent., showing a value of about $65 per ton. A mineralized zone 100 feet in width, is indicated from the dip needle survey. W. M. Scanlan, the company's manager, reports the main camp buildings situated just to the south of Lake Adeline, have been completed and that from now on the full time will be spent in development work. Marclay properties are highly mineralized and tie on to both the east and west Arntfield groups and are about one mile from the Towagamac or Alderson-MacKay claims. A roadway was recently completed connecting with the Quebec Government road to Rouyn. A large amount of supplies is on hand and interesting developments are looked for as work progresses.

RUBEC SUCCEEDS QUEBEC GOLD BELT

Old Shareholders Are to Receive Share For Share and Stock Rights

Rubec mines, is a new concern to succeed Quebec Gold Belt. It is understood that Bob Gamble, who is taking an interest in the new venture is providing some additional claims.

Quebec Gold Belt was capitalized at $15,000,000, par value $5. The new company is capitalized at $5,000,000, shares $1 par. Quebec Gold Belt shareholders get share for share and rights to take up additional shares. Rouyn Gold, Rouyn Quebec and Ottawa Rouyn shareholders are interested, as their companies were consolidated to form Quebec Gold Belt. The reorganization will be welcomed as it will put the company back in the active list. It is understood that arrangements are being made to launch work on a group in Pelletier Lake section, south of Rouyn.

Central Manitoba Mines

Descriptive Circular on Request.

Telephone Elgin 1362.

R. M. Harcourt & Co.

Members Toronto Stock Exchange
25 Melinda St. Toronto

AMULET ORE TEST SHOWS ZINC TO BE LEADING METAL

Free Gold Was Found in Composite Sample Sent to Ottawa

Tests of Amulet ores by the Ore Dressing branch of the Federal Mines department reveal the fact that the copper-zinc ores of western Quebec can be concentrated by selective flotation into copper and zinc products. High-grade copper concentrates were obtained from this ore containing 90 per cent. of the copper values. High-grade zinc concentrates were obtained indicating a possible recovery of 75 per cent. of the zinc values. A great deal more research should be done on this class of ore to obtain a better selective action between the copper and the zinc with the lowering of the zinc content in the copper concentrate or in the re-treatment of the copper concentrate for the same purpose, says C. S. Parsons. Preliminary work along these lines should be followed by large-scale tests on a tonnage scale. The recovery of the gold and silver values is also of importance.

Tests of 80 pounds were made and the analysis showed the following:

Copper	4.15%
Zinc	10.00%
Gold	0.14 oz.
Silver	3.02 oz.

The sample was a composite one free gold was present. Mr. Parsons suggests that the presence of free gold in the sample may be due to the samples from which this composite sample was made up being taken close to the surface and becoming contaminated by free gold from the gossan capping, and that the gold will not occur in this state in the ore below surface oxidation. If this supposition is correct, amalgamation to recover the gold at some point in the process could be dispensed with.

Complete Mining Plants

We have furnished complete plants for:—

Waite-Montgomery
Granada-Rouyn
Archean Mines

Two of our plants are now operating on the Archean and a third and larger one is in transit.

For the Waite and Granada we supplied everything from air compressor to cook stove.

Get details of our service

Engineering Equipment Co. Limited
1154 Beaver Hall Sq., Montreal

ANNOUNCING

Laurier Mines, Limited

HEAD OFFICE—MONTREAL

CAPITAL 5,000,000 SHARES
No Par Value

LAURIER MINES, LIMITED, is a consolidation of 47 groups of claims, aggregating over 20,000 acres, located in the most promising mineralized areas of Rouyn, Montbray, Duprat, Boischatel, Dufresnoy, Destor, Joannes, Dupartquet and other townships in Northern Quebec.

These claims are well distributed and adjoin or are in the immediate vicinity of properties that are now being developed by the best known companies operating in the Rouyn area. Many of the claims were staked or acquired during the weeks following the discovery of the Noranda-Horne property and on account of the geology and mineralization there is no company operating in the field with better opportunities for success than Laurier Mines, Limited.

Laurier Mines, Limited, is capitalized at 5,000,000 shares of no par value, fully paid and non-assessable. Of these, 2,500,000 shares will be sold for treasury purposes.

Laurier Mines, Limited, is assured of sufficient financing to carry on continuous scientific exploration and development work with the most modern type of machinery.

The directorate, engineering staff and management of Laurier Mines, Limited, will consist of men who have already established enviable records in Canadian business and mining fields. This gives assurance of thoroughly honest and efficient management.

A limited number of shares will be offered on a special pre-listing basis and our clients and investors are urged to communicate with us at once.

CLIP THIS OUT—MAIL IT TO-DAY

LAURIER FINANCE CORP. LTD.
120 St. James St., Montreal, Que.

Without obligation to me, please send me detailed information about Laurier Mines, Ltd.

Name ....
Address ....
....

Laurier Finance Corp. Ltd.
FISCAL AGENTS
120 St. James St. Montreal, Que.
PHONE — MAIN 6689

BROKERS desiring to participate in this issue should communicate with us immediately.

Thousands of Items Which Mines Buy Mean Business for All Canada

Camp and Mining Equipment Order Placed for Granada Mines Reveals Many Interesting Items— A New Method of Buying

What do the mines buy?

This is a question many merchants ask. Others say that the mining business is restricted. The Financial Post answers both these points with the list of mine purchases appended. It is, perhaps, the most comprehensive prepared. Incidentally it is but one order. It was placed by Granada Mines, Quebec, with one firm, Engineering Equipment, Montreal. Bob Gamble told Jas. Davis, head of the firm, that Granada wanted a complete camp and mining equipment to start operations. In ten days the whole was packed, placed in numbered cases and shipped in one car to Rouyn. It is a new feature in mine equipment service. Every detail of the camp was figured out before the order was placed. Not an item that was needed was overlooked.

The shipment was carefully followed up until it reached Rouyn, from where it was taken over snow roads to the property. Even the packing of heavy items was done with a view to easy handling over the camp trails.

Business men will find this list a good answer as to what mines buy and where the money the mines spend goes to.

Mining Plant:

Quantity
1 9x8 type 20 portable air compressor. No. 68522 mounted on heavy oak skids and evener complete with motor No. 88031.
1 Crank, 1 gas tank cap.
12 Spring adj. liners aux. valve.
1 Fuse plug and tube.
6 Tubes for fuse plugs.
1 Spare valve bare, 43-J.
2 Valve cover gaskets.
4 Unl. cup leathers 1¾".
2 Controller cup leathers, 2".
1 Kit of tools.
1 Valve wrench.
2 Wrench sockets, B. 2149.
1 ¾" globe valve.
1 ¾" x 2 nipple.
2 ¾" close nipple.
1 ½" globe valve.
1 ½ x 1½" nipple.
1 2" globe valve.
1 2 x 3 nipple, ½" close nipple.
2 2" to ¾" bushings.
1 magneto wrench.
4 Instruction books.
3 Dupl. part lists.
Weight—7,200 lbs.
1 Set of whiffle-trees.
Weight—50 lbs.

Spare Parts:

1 No. 2 7,000-B complete set of recommended spare parts, boxed.
Weight—55 lbs.
1 36" x 8' standard vertical air receiver, 524 complete with—
Weight—1,350 lbs.
1 1½" pop safety valve, 110, with elbow and nipple.
1 1" gate valve and nipple.
1 5" air gauge, with pipe and cock.
1 ½" fuse plug 450 deg. F.
2 4" to 2" reducing bushings.
Weight—25 lbs.
100 ft. ⅞" solid oct. 1R Swedish drill steel, No. 158 223 lbs. 8 bars.
Weight—223 lbs.
59 Bars 4006 lbs. No. 158 1" Q.O. Hol 1R Swedish drill steels, in random lengths. Weight—4,006 lbs.
2 14-b side and end dump cars, 450 lbs. 18" gauge, No. 154-J, 155-J, 450 lbs.
1 JC-15 mounting rotation pawls. (Above for DCRW 23 Jackhamer with 1" Q.O.A.B. chuck, 100 lbs.
1 3½" x 6' S.S. column complete with safety clasp, and: 105 lbs.
1 27" arm and hook bolt column clamp.
Weight—80 lbs.

Drilling Equipment:

2 DCRW 23 jackhamers complete with:
Weight—80 lbs.
1" Q.O.A.B. chucks, 283510-P-1245. 283576-P-1199, each complete with std. equip.
Weight—80 lbs.
2 20-DCRW 1 pistons complete, air, No. 1294 1002, (Incl. 31c-DRCR 1).
1 Wrench for above column.
6 179-DDr anvil blocks.
2 40-DC2 valves.
4 252H-DDr chuck bushings 1" Q.O.
4 83-DC2 oil plugs, tapered.
4 160-BC2 thro bolts, springs.
12 360-HCR2 rotation pawls, springs.
6 37-BBN rot. pawl plungers.
4 ¾" throttles (Knox).
Above for DCRW-23 jackhamers.
1 Set 10-H hand blacksmith tools. (Incl. 20 2 7 8 9 129).
Weight—70 lbs.

Hoisting Equipment:

1 Novo type "TN" single drum reversible hoist with two speed sheave R.F. engine with hoisting drum on skids.
1 Box fittings attached.
2 2 pt. pcd. funnels.
3 2 pt. premier can openers.
2 Pots chains and scrapers.
2 No. 12 paring knives.
6 Japd. pepper shakers.
4 Japd. flour dredgers.
6 W.E. butter dishes.
30 No. 25 shanty bowls.
2 No. 40 oval meat dishes.
2 No. 190 pitchers.
4 No. 90 Imp. tea boilers.
2 No. 90 Imp. coffee boilers.
2 No. 120 potato pots.
2 No. 12 strt. sless pails.

Camp Equipment:

12 B. lamp burners.
1 5-gal. galvd. side rest oil cans.
4 7" galvd. chimney caps.
1 6 x 7 com. tapers.
1 No. 1 pastry boards.
2 5-gal. contractor boilers.
4 7" heavy elbows.
2 13 retd. skimmers.
2 No. 16 retd. forged basting spoons.
6 No. 10 W.E. milk jugs.
3 No. 70 W.E. soap dishes.
2 I.C. japd. covd. dust pans.
1 No. 314 French egg ships.
1 18x3 forged flesh forks.
1 8x1326 butcher knives.
1 12x1326 steak knives.
1 122 D. butcher steels.
1 9 hotel cleavers.
2 Large dish mops.
1 11½ plain pot covers.
3 7" can dampers.
Weight—100 lbs.

Very Necessary Items:

1 22 x 24 x 4 S. I. roast pans.
1 20 x 22 x 1 S. I. biscuit pans.
2 3 S. I. bake pans.
12 4 W.E. pud. pans.
1 11½ W.E. collander.
2 28 Imp. pres. kettles.
2 IXL special globe wash boards.
1 18x3½ rolling pin.
1 345 hotel potato masher.
1 Special potato masher.
30 No. 6660 table knives.
30 No. 900 table forks.
30 No. 900 table spoons.
30 No. 900 tea spoons.
1 tin rim sieve.
1 70 McClary food chopper.
1 12 W.E. mixing bowls.
1 No. 4 Acme fry pans.
2 No. 6 Acme fry pans.
1 No. 7 Acme fry pans.
3 No. 12 cup muf. pans.
12 10" tin pie plates.
2 10x13½ hotel broilers.
1 S.I. gold miners' pan.
4 No. 5 Hudson Bay pails and covers.
4 No. 6 Hudson Bay pails and covers.
4 No. 7 Hudson Bay pails and covers.
4 No. 8 Hudson Bay pails and covers.
4 No. 9 Hudson Bay pails and covers.
4 No. 10 Hudson Bay pails and covers.
4 No. 11 Hudson Bay pails and covers.
Weight—182 lbs.

Supply of Bowls:

12 No. 32 W.E. wash bowls.
30 No. 51 soup bowls.
30 No. 10 dinner plates.
2 14x26 cast griddles.
1 Chauldron and cover.
Weight—150 lbs.
25 Lengths E.L. pipes 7"—42 lbs.
36 No. 2 burner chimneys—16 lbs.
12 Jaytee wall lamps—20 lbs.
3 No. 60 galvd. contractors' pails — 34 lbs.
3 No. 400 galvd. Manitoba pails.
3 No. 2 galvd. tubs—27 lbs.
35 ft. 10" 22 G. blk. iron pipe—145 lbs.
2 10" damper fitted in pipe.
2 10" pcd. blk. elbows—50 lbs.
1 10 galvd. chimney caps.
6 4 pt. IXX retd. dippers.
1 39 camp comfort heater.
Weight—168 lbs.
1 8-10 blk. taper 22 G.
1 38 camp comfort heater.
Weight—168 lbs.
1 50 camp comfort heaters—203 lbs.
1 2156 airtight heaters—25 lbs.
1 Flush reservoir for Algoma range.
Weight—57 lbs.
1 No. 735 Algoma range—580 lbs.
10 Sheets 96x36x28 G. galvd. iron.
Weight—160 lbs.

Mechanical Equipment:

1 Perfect screw driver.
6 Clay picks.
1 Prentice drills, 130x⅛.
1 Prentice drills, ¼.
1 Prentice drills, ⅜.
1 Prentice drills, ½.
1 Prentice drills, ¾.
1 Prentice drills, 1.
1 Prentice drills, 1¼.
1 Pair X cut saw handles, 6 S.
1 Grindstone fixtures, 2.
1 Wrecking bars, 30.
1 Stone sledge.
2 Hammers.
1 H.S. frames.
12 H.S. blades.
1 Brick trowels.
1 Blacksmith's tongs, 71-E.
1 Blacksmith's tongs, 71-B.
1 Only cold chisel.
2 M.H. handles cavalier, 16.
6 Grub mattocks.
1 Bit braces.
1 Gilm, auger bits, ¼.
1 Gilm. auger bits, ½.
1 Gilm. auger bits, ¾.
1 Gilm. auger bits, 1.
1 Gilm. short eye augers, 1½.
1 Gilm. short eye augers, 2.
50 Coach screws, ⅜x3.
50 Coach screws, 4.
50 Coach screws, 5.
100 Machine bolts, ¼x2.
50 Machine bolts, ⅜x2.
50 Machine bolts, ½x2.
25 Machine bolts, ¾x2.
10/100 Machine bolts, 1x4.
1-lb. washers, 7/16.
1-lb. washers, 9/16.
1-lb. washers, 13/16.
1-lb. washers, 1/16.
3 Globe mill bast. files, 10.
3 Globe round, 10.
3 Globe flat files, 12.
2 Trimo pipe wrenches, 14.
2 Trimo pipe wrenches, 18.
1 Coes K.H. wrenches, monkey, 12.
1 Coes K.H. wrenches, monkey, 18.
1 S.C. pliers, 3800x8.
1 Sledge hammer.
2 Claw hammers.
1 Mach. hammer.
6 Padlocks.
6 Safety hasps.
1 Pair heavy strap hinges.
1 Soldering irons.
5 lbs. Solder.
3 lbs. soldering paste.
5 lbs. C.H. welding compound.
12 Axe stones.
12 Globe mill bast. files.

Picks for Miners:

1 Solid stock and dies.
1 Solid die, No. 2x½.
1 Solid die, ¾.
1 Solid die, 1.
1 Collet, 2x½.
1 Collet, ¾.
1 Taintor saw sets.
1 Butcher saws, 2x20.
2 lbs. sq. tapd. nuts, ½.
2 lbs. sq. tapd. nuts, ⅝.
2 lbs. sq. tapd. nuts, ¾
1 Niagara grinder.
1 Rd. stock.
1 Rd. die, ½.
1 Rd. die, ⅝.
1 Rd. die, ¾.
4 Mendets, small.
1 Soldering iron handles.
10 lbs. stove pipe wire, 18.
1 Hand saws.
12 Coleman mantles.
1 Steel tape.
1 Trip gong.
1/10 M. ft. galvd. clothes lines.
12 Miners' picks.
12 Miners' picks, handles.
1 Pipe vise.
1 Barnes pipe cutter.
9 Door latches.

Tools to Work With:

1 Coleman lantern.
1 Vise.
1 Drill.
1 Anvil.
1 Bal. wheelbarrow sides.
1 Bal. wheelbarrow, wheels and legs.
1 Only wheelbarrow tray.
9 D.H. shovels.
6 L.H. shovels.
4 Snow shovels.
1 Brush hook and 1 cant hook.
6 Axes.
1 Pc. rope.
1 B/S blower.
1 Cross-cut saw.
1 Bale waste.
1 Logging 1 pc. chain.
50 lbs. wire nails, 10.
50 lbs. wire nails, 6.
1 keg wire nails, 4.
2 boxes wire nails, 3.

Portland Canal Pioneer

GRANT MAHOOD

2 Boxes wire nails, 2½.
6 Bales oakum.
1 Bdl. (2) crowlers.
1 Bar cast steel.
1 Bdl. iron, 2x¼.
1 Bdl. iron, 3x¼.
1 Bdl. iron, ¾ rd. 1x3/36 ½rd.
1 Pipe.
1 Bdl. 3 sheets black iron.
1 Bdl. 12 sheets galvd. iron.
1 Bdl. iron, 1 rd.
1 Bdl. iron, 1 rd.
1 Bdl. iron, 1 rd.
1 Bdl. iron, 1 rd.
1 Crate pick, sledge and axe handles.
1 Grindstone.
1 Pump.
1 Box pipe fittings.
1 Block bushing, 1½x¾, 1¼x¾.
1 Block tee, 1¼x1x1, 2 blk. plugs.
4 Block nipples, ¾ short, ¾ close.
2 Bars stop cocks, ¾.
2 Couplings, 2x1½, 4x2.
2 Black nipples, 4".
30 Rolls roofing.

Even to Coal:

1 Ton blacksmith coal (12 bags).
3 Doors.
411 ft. 2" black pipe.
411 ft. 4 ins. 1" black pipe.
12 Mall. elbows, 1".
12 Mall. dart unions.
12 Asst. nipples, 1".
6 Brass plug, I.B. stop cocks, 1".
12 Bushings, 1x2".
12 Bushings, 1x¾".
12 Dart unions, 2".
12 Mall. elbows, 2".
4 I.B. brass plug stop cocks, 2".
12 Asst. nipples, 2".
3 Mall. tees, 2x2x1.
3 Mall. tees, 2".
3 Can. Jenkins globe valve, 1".
3 Can. Jenkins globe valves, 2".

Fire Prevention:

6 No. 10 quart fire guns.
1 2½-gal. fire extinguisher.
1 2½-gal. Foamite fire extinguisher.

For the Miners:

12 No. 126 and 129 miners' special jackets and apron pants to the following sizes:
  5 No. 1.
  5 No. 0.
  2 No. 00.
12 No. 146 Cape Ann "sou'-wester" black hats.
  6 No. 7 size.
  6 No. 8 size.
1 No. 3 30 shot blasting battery.

Cars and Rails:

4 10" solid flanged wheels with two axles.
1 20" sheave wheel with shaft for ½" rope.
2 14" sheave wheel with shaft for ¾" rope.
1 12" sheave wheel with shaft for ¾" rope.
12 Brg. B & S for above.
  4 for tram car wheels.
  2 each for sheave wheels.
2 50 ft. lengths ¾ 2 4-ply Super-service air drill hose with couplings.
2 50 ft. lengths ½" 4 ply Para water hose, complete with couplings.
250 ft. ½ C.C.S. 6x19 hoisting rope.
24 Crosby clips.
12 Thimbles.
2 100-lb. tins miners' carbide.
1,000 lbs. new 12-lb. rails with necessary complete joints.

Quebec Testing
Laboratories
Rouyn

ASSAYERS

Fully Equipped
Chemical and Assay
Facilities

Manager
LLOYD B. ALMOND, B.Sc.

Operated by
J. T. Donald & Co.
Limited

Montreal Toronto

DUPRAT CO. NOW DRILLING GROUP NEXT TO WAITE

Big Dyke Thought to Cross From East—An Official Statement

Diamond drilling has started on Duprat's group adjoining Waite-Montgomery on the west. It is believed that the dyke in contact with which Waite is said to have got its ore crosses into Duprat. An official statement sent shareholders states that the management is very hopeful of picking up the Waite ore body. When the drilling program is complete on this group the drill will be moved to the southerly location. Ontario Diamond Drill Co., Sudbury, has the contract.

The notice to shareholders also contains the official announcement of the acquisition of the important group of 400 acres in Montbray Tp. These were taken up on the advice of Jos. Houston, E.M. It also states that the company has $75,000 cash in the treasury.

The statement follows:

"I am directed by the board of directors of Duprat Mines, Ltd., to inform you that a contract has been signed with the Ontario Diamond Drilling Company, of Sudbury, Ontario, for the diamond drilling of your company's properties, situated in Duprat Township, northwestern Quebec, and the drill is being set up at the present time on the north group of your company's properties, adjoining the Waite-Montgomery, and the management is very hopeful that the Waite-Montgomery ore body will be picked up. The drill should be in operation by the time this letter reaches you.

On the completion of the drilling of the north group, the south group is to be drilled also.

Further, your company has acquired an additional group of ten claims in Montbray Township, northwestern Quebec, in that section where such excellent results have been obtained. Your company acquired these claims on the advise of J. C. Houston, E.M., our consulting engineer.

Your board of directors are doing everything in their power to make Duprat Mines a profitable mining proposition and feel that through the company's holdings, with the present management, and the treasury with better than $75,000 in cash on hand, that the future of your company is very bright.

Lake Maron to Instal Plant in Dasserat Tp.

Installation of a mining plant is to be carried out at once on the property of the Lake Maron Mining Co in Dasserat Township, Que. A good quartz vein was recently encountered on this property, but the fact that it is in low ground and covered by a heavy overburden makes it difficult to explore. This caused the decision to sink a shaft on the vein.

First Gold Discovery in Rouyn Recently Bought by Osisko

Osisko Lake Mining Company has purchased the Wright Billings property on Pelletier Lake. This is the property on which the first gold discovery in Rouyn Township was made. It comprises 160 acres—four claims—and was staked in June, 1922, by M. P. Wright of Ottawa. The claims are situated about a mile and a half from the Osisko property and the only work done is the preliminary prospecting.

When Messrs. Wright and Billings went into Northwestern Quebec in June, 1922, they were prospecting for gold and were under the impression that they were the first in that district. The Horne, however, had been staked by Ed. Horne and Miller of New Liskeard, about a year before. When Messrs. Wright and Billings staked their claims the only other staked was the Horne but five months later, it is said, 90,000 acres had been staked.

Coniagas Mines had an option on the Wright Billings property at one time, conditional on securing additional ground. When they were unable to do this they did not take up the option.

The present deal is understood to be an outright sale for cash.

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NORANDA, QUEBEC

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WILL PREMIER MT. PROVIDE B.C. WITH FOUR LARGE MINES?

Grant Mahood, Pioneer of Portland Canal, an Original Premier Owner

TELLS OF EARLY DAYS

With Partner Bush Sold Holdings of Big Producer for $115,000, No Cash Down

Interesting tales of the ups and downs, the might have beens, and what really did happen, in the making of Portland Canal, B. C., a mining camp, was told by Grant Mahood, Portland Canal pioneer, who is now in the east in connection with some of his interests.

Portland Canal was first found in 1896, when some of the Yukon rushers tried to get in that way over the mountains. It died quickly and came to life again in 1908 and boomed in 1910. It was a real estate not a mining boom. Sir Donald Mann and other interests had been induced to build a railway into Ground Hill coal fields, and this started the boom. Messrs. Gillet and McDonald got the contract to build the railway docks and Mr. Mahood was sent up to do the job. Portland Canal has been the scene of his activities ever since.

Mr. Mahood was not long in the camp before he hit into a partnership with O. D. Bush to deal in mines and about the first thing they did was to purchase seven claims from two prospectors, Morrison and Logan. Later they purchased additional claims for another prospector, Dillworth. These claims are now the main holdings of Premier Gold Mines, the sensational precious metal producer of the coast province. Later they acquired additional claims up the same mountain, owning what is now B. C. Silver and National Mines, two impressive looking operations which they disposed of. To-day Mr. Mahood controls the fourth property on the mountain, and it takes in the summit, the Extenuate. He is satisfied that it will make a fourth sensational mine, but makes the point that it is only a prospect yet but has attractive showings.

Hard to Get Capital

It was a hard job in the early days of the camp to interest capital. They had several make attempts to find a mine on Premier. Surface showings were not attractive. R. K. Neill took over the property in 1917 for $115,000, paying nothing down, and was about ready to quit when he broke into $500 ore. That made Premier. Also it made many millionaires.

Messrs. Mahood and Bush tried hard to put over a little development syndicate on B. C. Silver, 38 per cent. of which is now owned by Premier and the bulk of the remainder in London. They failed. Mr. Mahood says that the stock they offered at 3½c. a share in Vancouver would be worth $50,000 a share to-day, if the deal had gone through, and the mine is not yet producing. One of the disappointed Vancouver men later bought 50,000 shares at 25c. a share and he has retired.

Premier in Good Shape

Premier, which cost Neill $115,000, is in better shape to-day than a year ago, says Mr. Mahood. The recent break in the market for the stock he attributes to stock switchers who got a lot of holders to exchange Premier for shares in a small copper operation up near the Yukon boundary. This threw a lot of Premier on the market. He says that in the past year Premier made some excellent discoveries and to-day has five years blocked out and broken ore ahead of the mill. He considers Premier the best stock for a hold over B. C. Silver, as Premier owns 38 per cent. interest in B. C. Silver.

Much Like Porcupine

The formation of the camp is much the same as Porcupine. Greenstone with porphyry intrusions and it is along the contacts that the ore is found. In some places rich, narrow stingers are found in the porphyry, but generally the values are in the greenstones.

Mr. Mahood says Extenuate Mines is being opened up by an adit or tunnel driven into the mountain side. Going in 800 feet will put them 400-ft. under an attractive surface showing. This is a well defined vein opened for 2,100-ft. and 825-ft. of this, running 10 to 20 ft. wide, give assays $1.50 to $18, no blanks. He thought it would average $14. Driving the tunnel in, they found a narrow shoot in the footwall and this has widened out to 22 inches of good ore with the tunnel in 115 ft. This, he thinks, will make the next 100-ft. interesting, as they should intersect a cross vein and the junction may result in a concentration of values. Despite the fact that the operation is high up on the mountain, Mr. Mahood says their costs are low, $11 per ft. for tunnel driving. It costs 3c. a pound to get supplies, etc., up the mountain from tidewater, but when the road is extended, as it is intended, this charge will be lowered.

Leads in Turner Valley

Clarence Snider, driller, who brought in Royalite No. 4 well, along with his partner, Sid Bagley. When he met with this success he parted with the Imperial Oil subsidiary and undertook the drilling of Vulcan, which he brought in successfully. He is now drilling Vulcan 2 and Spooner No. 1.

Buckingham in Quebec

Buckingham Mines has taken over 14 claims in Duprat and Boischatel Townships and 10 in Destor Township. These groups are to be developed.

IS THERE ANOTHER UPSWING IN QUEBEC MINE SHARES NEAR?

Some Contend That Heavy Selling Has Been About Exhausted

REAL NEWS IS NEEDED

Public Confidence Will Only be Restored by News of Developments

The share market for Quebec stocks has been suffering for some weeks now from too much Area and Amulet. The break in the market for these issues made the public distrustful. Many of them backed away and will not come back until some measure of confidence is restored. Some brokers think that this confidence building is now going on and they are advising their clients that the market is again ready to advance. They may be right but the consensus of opinion is that the necessary final touch to do this must be good news. In other words, rumors or possibilities of good things, as was the case with Area and Amulet, will not suffice.

Homer Gibson and Co., in a special letter to clients on the subject, make some interesting points. They are advising clients to average at the present market level. This is a practice The Financial Post cannot always see eye to eye with, on the ground that regardless of one's previous position or commitments, a stock is either a buy or a sell, but others differ. The Gibson house notes a more cheerful tone to the Quebec group, and believes that the heavy selling has exhausted itself. They believe that favorable diamond drilling results on the property of any of the concerns prominent in the market would touch the match to new market fireworks. Some of the views advanced follow:

That the market for the Quebec stocks is about ready to advance again is a view supported by the smart recovery in Noranda of the past few days from its low point around $20. Noranda is the recognized leader of the Quebec group, and its rebound, therefore, carries with it more than ordinary significance in relation to the other stocks in that group.

As for the fresh news referred to, one does not need to be more than ordinarily optimistic to reasonably expect further important news from the widespread exploration work underway in the Quebec field. There never has been a time in the history of this camp's development when there was so much "doing" in the way of systematic searching for commercial ore deposits.

East, west, north and south, activity is spreading to every point of the compass from Noranda. Miles upon miles of ground is being gone over with meticulous care seeking the favorable outcrops, while diamond drills are boring beneath the surface. It is safe to say that no mining district in Canada of the same area has witnessed such intense exploration as is going on at the present time in Quebec. New and important discoveries under the circumstances seem a foregone conclusion.

ROUYN RAILROAD DOING EXCELLENT

Trip Over Line Leaves Impression That Giant Hand Shoved Cars Off Track

The C.N.R. branch line into Rouyn is doing an excellent business. The regular train each way daily, a mixed freight and passenger, is well patronized and frequently an additional freight is necessary. The freight haulage is all one way, but there are several important lumber and pulpwood operations along the route which supply a certain amount of outbound traffic.

Naturally the road bed is rough, and one heard some interesting predictions of what will happen in the spring when the frost comes out of the ground. In going over the line one gets the impression that intermittently along the line, a giant hand has reached out and shoved a box car off the track; first one side and then another, but when it is considered that the building of the line was a rush job and that it is giving good service, these little incidents can be overlooked. "I am going to play safe for the spring," said one mining man. He has a canoe and has ordered a small outboard motor so that he can run up to Tachereau when he wants to if the spring thaw plays havoc with the road bed as many are predicting will be the case.

MONTBRAY-ROUYN MINES

Montbray-Rouyn Mines, owning 200 acres adjoining Nipissing on the west, in Montbray Township, is offering shares to the public.

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Owning 5,000 acres in the Townships of Montbray, Duprat, Dufresnoy, Cadillac, Malartic, Bourlamaque and Clermont. Several of the above properties have disclosed excellent showings.

The Company has also acquired 1,000 acres in the Township of LaSarre where diamond drilling and a crew of 30 men are opening up an excellent copper showing.

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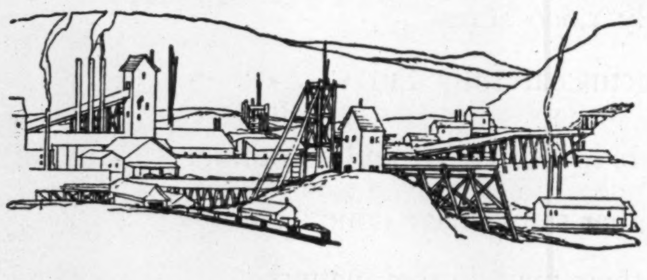

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Mining

Any true service rendered to industry must be of such a nature as to create genuine and lasting satisfaction. The two following examples will illustrate the satisfactory service we are able to render from time to time to Canadian mines.

About seven years ago, the Premier Gold Mine, situated some 600 miles by waterway from Vancouver, installed two 150 h.p. Fairbanks-Morse Oil Engines. The fact that to-day this mine has 2160 h.p. of these engines in operation is proof positive of the reliability and economy of the product supplied by this Company.

Last year we installed a Kennedy Gearless Gyratory Crusher in the Porcupine Paymaster Mine, which owing to its ability to take ore from the primary crusher and deliver it direct to the ball mill, has eliminated a set of rolls, a tribute to the efficiency of the equipment supplied by us.

To select for Canadian Industry the machinery and supplies that will give the greatest satisfaction, is a part of the service rendered by this Company.

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526

ROUYN'S EARLY PROSPECTORS HAD NO SINECURE

Area Covered With Dense Brush and Much Overburden

HARDSHIPS MANY

Travel Was by Canoe and Over Portages — Had to Take Supplies

Many will tell you that the day of the old time prospector is rapidly passing and there are indications that this is true. Nevertheless, whether they be old time ones who have discovered the camps of the past, or new ones that are going to have a chance at the camps of the future, one cannot help having admiration for the prospectors who made the Quebec camp possible.

The Quebec camp was first discovered in 1922 in so far as the public is concerned. The fact, however, is that geologists of the Federal Geological Survey had been in the area years before. It was Tommy Powell who made the discovery that started the sensational 1922 rush, but there were other prospectors workin~ in the field at the time and a couple of years previous Ed. Horne and his partner, Miller, had staked the Horne mine.

No Bush Fires Yet

To travel through the camp to-day, the greater part is dense bush and though there is now the benefit of trails which the prospectors did not have, one can nevertheless picture some of the trials and hazards which the prospectors met with and braved.

It was no sinecure they undertook. It was a matter of summer travel, by canoe and portage. They had to take their own supplies and camp equipment along and blaze a trail through the bush. Outcrops of rock for prospecting were free in some parts, but for many miles they were pretty well scattered and, as it has since developed, there was a heavy overburden. This made the hunting harder.

Not many have any appreciation of what these pioneers who are pushing back the borders of civilization have to put up with, and the year after year they labor, taking their lives in their hands daily, hoping to make the big find that will bring to them fame and a good share of the good things of the world.

LAVAL IS DRILLING AND PUSHING AHEAD ELECTRICAL SURVEY

Work Going on Both Sides of Pelletier Lake South of the Horne

Many followers of Laval-Quebec mines are looking for that company to provide new fireworks in Quebec. Having immense holdings it has concentrated for the time being on the Argonaut group, south and west of Noranda.

On part of the holdings in this section an electrical survey has been in progress for some time. When completed, if there are favorable indications, diamond drilling will be immediately undertaken. This work is on the north side of Pelletier Lake.

South of the lake diamond drilling is going on, looking for formation. There is pyrrhotite and chalcopyrite showings and there is a sill, below which it is expected better formation will be found. The first hole is expected to cut the sill at about 500-ft. and the second will cut it 50-ft. below the surface.

Resident Manager Flood and John Reed, M.E., consulting engineer, have spent a busy summer on these holdings of Laval, maping out the geology. One very favorable factor was the opening of a large Gabbro dyke cutting across the property. Many have come to look upon Gabbro as having much the same influence as granite. In fact a new geological map which the writer recently saw in course of preparation on the Quebec area, laid special emphasis on the granite and Gabbro ridges as being the likely places to prospect.

Argonaut Driving to Open Two New Levels

It will likely be some weeks before there will be any interesting news out on Argonaut. The company is shaft sinking and proposes to open up two new levels simultaneously, 1125 and 1250. The shaft is now about 1100-ft. Developments on the upper levels continue good.

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Billion Dollars New Wealth from North and Mines Are Only Started

Survey of Natural Resources Development That is of Interest

PULP AND POWER TOO

C.N.R. Official Pictures Canada's Development in Careful But Optimistic Way

The following rather interesting review of the northern mining camps, with reference to the pulp and paper power features, is taken from an address by Cyril T. Young, of Canadian National Railways. Mr. Young is in heavy demand as a speaker on Northern topics, on which subjects he is well qualified to speak. He has delivered over 20 addresses to various important bodies recently.

No one industry or no one grain crop ever throughout history made a nation rich and prosperous—less will this be the case in the future than in the past. We must therefore take full cognizance of what is occurring across the whole of Eastern Canada to-day in the development of pulp and paper, hydro-electric power, and mining. Canada may have stressed immigration pretty well to the limit, and has not been any too successful at it and it may be that the bringing of capital into this country is as vital to the up-building of the Dominion and to the life of our manufacturers and our towns and the home market they provide for farmers, as the immigration of a purely farming element alone. When you bring in capital and they spend $5,000,000 here, $10,000,000 there and $25,000,000 somewhere else, you build up new centres which provide jobs for working men, and not alone working men in the narrower sense, but for universit~ graduates. We are educating, yearly, perhaps 5,000 graduates from our University in Toronto, and 4,000 from McGill, and pro rata from other Canadian universities, and I do not know how we are to keep these young men from crossing the line unless we bring in capital to develop the natural resources and build up the business of this country.

Power Development

There are many events happening that contribute to the present wave of prosperity and contentment one can see coming from coast to coast. One of the causes of Canada's increased business is cheap electric power. Power is the very heart of industry. Power is twentieth century civilization. Competitive manufacturing cannot be carried on to-day without cheap power, for this is the day when a button is pressed by a child's finger and the work of a million men is done, compared with the days when the pyramids were built.

Our electric power development in Canada has increased 245 per cent. in the last ten years, and is now second per capita in the world, Sweden being the first. We have developed to date 4,290,000 horse power, representing an expenditure of $750,000,000. I consider that to be one of the very best and most productive investments in Canada. In 1925, we developed 700,000 h.p., at a cost of $70,000,000. To bring in coal to do the same work as our present power in Ontario and Quebec would represent a yearly outlay at a price as low as $7 a ton, of $80,000,000.

The estimated total of power that can be developed from coast to coast in Canada is 32,000,000 h.p., and across the north country from the Saguenay to the Nelson, 18,000,000. You get some idea of what that means when it is pointed out that the Chippewa development is 550,000 h.p. And in connection with our mighty rivers throughout that north country, it may be taken for granted, in view of the progress already made in hydro-electric development, that they will not long continue to roll on in sullen silence to our Northern Mediterranean, Hudson's Bay, but that they are going to be harnessed in bonds of steel for the service of industry.

Mining Development

No small share of our prosperity is due to mining. Everyone is aware now of the movement that is going on in the development of minerals. But that movement in Canada has just started. To grasp its significance you must realize that the world has used more metals in the last twenty years than in all preceding times back to the days of the Pharaohs. When one grasps the significance of this statement one can understand why Americans are searching all over Northern Canada and getting hold of some of the best of our mineral areas. Recollect that no nation ever attained to greatness except they had developed some kind of mineral. All down through history you find this. The bronze age saw the development of Greece and Rome, the Kingdom of Solomon was supported by gold brought from far countries, the supremacy of England commenced with the mining of tin, and in later times their world-wide dominance in trade resulted from the mining of coal and iron, and all are aware that the success of the United States is due to the manufacture of iron and steel. Always, the nation which dug new wealth from the ground prospered and gained supremacy over other nations.

Last Year's Production

Canada last year produced in round figures $243,000,000 of metal products, that is a gain of 127 per cent. in sixteen years. You will be interested to know what minerals were produced: asbestos, $9,000,000; lead, $23,000,000; nickel, $25,000,000; silver, $14,000,000; copper, $15,000,000 and gold alone in Ontario $30,000,000.

Ontario's rise to fame as far as gold production is concerned has been spectacular, because in 1910 the province only produced $42,000. The Sudbury Nickel Mines have produced to date $570,000,000. Cobalt produced $230,000,000, and Porcupine and Kirkland Lake $203,000,000. In a word, we have the production of a billion dollars of new wealth from Northern Ontario alone and then vision our future. Ontario's purchasing power from mining is $60,000,000 a year, purchased from our manufacturers, merchants and others mainly in Southern Ontario. That is certainly one of the causes of the prosperity that is being enjoyed at the present time. And now we have not only Northern Ontario and Manitoba, but Rouyn and the aluminum industry at the Saguenay, Quebec.

Pulp and Paper

Nothing is contributing more to the Dominion's prosperity than pulp and paper; in 1890 (that is 36 years ago), Canada's exports of pulp and paper amounted to only $120, in 1925 to $141,000,000. The United States uses 3,000,000 tons of paper a year, and Canada supplies one-half. Pulp exports have increased 654 per cent., and paper 1,476 per cent. in the last ten years. In the last ten months Canada produced more paper than in the twelve months of 1925.

There are 114 pulp and paper mills in Canada, and the capital invested is $460,000,000; our pulp and paper exports have a value of $173,000,000 per year; the mills employ 28,000 workmen, and I judge that in the woods and the drive they employ twice as many. They pay in wages at the mills alone, $38,000,000.

Individual Mine Camps

Central Manitoba field has fair possibilities, though it cannot be said to be a proven camp yet. Anyone who thinks the Red Lake camp is entirely off the map is mistaken. There are values at Red Lake over lengths and widths of veins that compare favorably with Porcupine. Veins which are being developed to-day by N. A. Timmins and others, which have an average value as high as $12 a ton over 15 ft. widths, and lengths comparable to Porcupine. All these young camps have their ups and downs. They happened to Kirkland Lake and to Porcupine.

We have, on the United States side of the border, the Mesaba Iron Range, which produces 80 per cent. of the iron ore of the United States, and 40 per cent. of the iron ore of the world. It is from this small section of the pre-cambrian formation that is in the United States (three or four per cent.), that the wealth of iron comes with its consequent manufacture of steel, and the building up of such cities as Cleveland and Bethlehem and others in Eastern United States is due. There are in Cleveland, for instance, 3,000 industries, based on the metal trades. Canada must process her metals further. These facts give a vision of what may be the future of Northern Canada, because everyone agrees that minerals are essential to the welfare and development and progress of Canada.

At the head of the lakes the pulp and paper industry is developing on a large scale; $34,000,000 going into new pulp and paper mills, and in consequence, the hydro-electric development at Nipigon is being increased to its full production of 75,000 h.p. at Cameron Falls.

New Mining Camps

New mining camps occur across this section of the country, such as Savant Lake and Nipigon, Beardmore on our lines, Goudreau, Michipicoten, on C.P.R.

At the Soo, Spanish River Company has its headquarters. It manufactures 720 tons of newsprint paper per day—that would amount to 30 cars at all of their three plants. At the Sault are located, also large steel rail mills. Eastward is Sudbury, which produces 85 per cent. of the world's output of nickel, yet there was a very prominent man in the Bank of Commerce party who went North recently who did not know that. There is a tremendous future ahead of this nickel industry in Canada, by reason of the fact that nickel-steel is coming more and more into demand and various other alloys replacing ordinary carbon steel. I look for a tremendous development throughout that Sudbury country, including zinc mining. At the International Nickel Company's plant they have a smelter of a capacity of 2100 tons per day, and at the Mond plant a smelter of 1400 tons a day capacity. The International Nickel Company paid $3,800,000 dividends last year, the Mond Nickel Company $1.700,000. So that industry is one of the important assets and has great possibilities, because nickel and nickel-steels are coming into wider and wider use. There are proven ore reserves at Sudbury for a hundred years.

A Practical Vision of Canada's Future

The following is an extract from a recent address of C. T. Young, Canadian National Railways, to the young men's board of trade, Toronto:

"I see one vast confederation stretching from this rich treasure-house of the north-land to the blossom land of Niagara, and from the wild billows of the Atlantic where they beat on the shores of Acadia, the land of Evangeline, westward across our Prairies and Rockies to the calmer waters of the Pacific main—the home of millions of people who will rise up every day to call her blessed—her cities vast hives of industry and thrift—her streams vocal with the whirring spindles of hydro-electric machinery—her forests the reserve supply of paper not only for the republic to the south but for the motherland—her mountain sides the treasure-house from which her metal resources are drawn — her clay belt and prairies tranquil in the white and gold of the harvest—peace and prosperity walking hand in hand through her borders, uprightness in her homes, plenty in her midst, and in no clime the sun shining on a more contented people or a happier land."

Cobalt's Production

Cobalt has produced $230,000,000, and is the mother, so to speak, of all the northern camps, in that it provided the money that permitted prospectors to go ahead and open other mines. Cobalt is not worked out yet. You may expect South Lorrain and Gowganda to go ahead fairly strong for a number of years.

Kirkland Lake, a gold camp, has several real mines, and their progress hitherto is only indicative of what the future is going to be. Lakeshore is now producing $250,000 a month, Wright-Hargreaves $250,000 and Teck-Hughes $135,000 a month and now increasing to $250,000—in fact all increasing production. The Kirkland Lake camp and the Porcupine camp are producing $2,500,000 a month at the present time, and that is only an indication of what the best producers are going to do in the future.

Porcupine's Effort

Hollinger employs 3,000 workmen with a milling capacity of 5,000 tons per day now, and being extended to 8,000 tons, and the average value of the ore $7.76 a ton for the Porcupine camp. McIntyre are putting down a shaft 4,000 feet deep, at a cost of $2,000,000, yet carrying on their dividends of 20 per cent. As an indication of the size of that shaft I may tell you it is using 2,000,000 feet of square timber.

Passing to the Rouyn field, I want to make a point about copper. A field that has 14, 16, 18 per cent. of copper is not going down in competition in the markets of the world. 64 per cent. of the copper that is produced on the other side of the line is the product of 1½ and 2 per cent. ores. There is more copper being used to-day than ever before in the world's history. Such properties as the Noranda are going to have a tremendous future. Amulet, Area, Towagamac, Waite-Montgomery and others are probable great producers. All these are of vital interest to all this southern country.

A New Development

At the Saguenay, the Aluminum Company of America are putting in there $70,000,000; in fact, when they are through it will probably be $100,000,000. Their raw material, bauxite, is going to be conveyed in thirty vessels from British Guiana to the Saguenay.

To get an idea of the tremendous importance of that development, as relating to the power feature—one unit only is in operation, and that is consuming 100,000 h.p., and they are going to put in ten units and use 1,000,000 h.p. That is the biggest industry I know of, anywhere in the world. The Niagara Chippewa plant is 550,000 h.p., and we have developed little more than 1,000,000 on this side of Niagara, so you can picture to yourselves the immensity of this development that the Americans are putting in on the Saguenay.

The Vice-President of the Aluminum Company recently said Canadians might very well have more vision of the future development of their country. He looks for the future harnessing of all these rivers from the Saguenay eastward along the north side of the St. Lawrence. The electric refining of ores is another of the big things in the future of Quebec. It is known what this Northern section of Ontario has produced and you can take it that this section of Quebec along the height of land has just as big possibilities.

In 1926

The London Free Press

Western Ontario's Foremost Newspaper

Carried the second largest national lineage of any daily newspaper in the Dominion of Canada.

We Offer 200,000 Shares of

Sphinx Abitibi Mines Corporation
(No Personal Liability)
Head Office - - Quebec City

AUTHORIZED CAPITAL $1,000,000

Sphinx Abitibi Mines Corporation, originally organized as a private syndicate for the purpose of exploring mining claims in the Province of Quebec owns and controls two groups of land in Baraute Township, comprising a total of 1,500 acres, a short distance from the Canadian National Railway, and in the same county where the famous Noranda Mines are located.

The mining claims of the Sphinx Abitibi are a reproduction of the conditions existing in Rouyn Township, of Noranda fame, both as to geology, nature of ore bodies, values in the ore, which, according to a careful analysis by our engineer,

Dr. J. J. Guntensberger,
Professor of Chemistry, Laval University, Quebec

show a total average of $17.61 to the ton as compared with $20.29 to the ton of the Noranda Mines, while drilling and trench work disclosed the fact that the values increased in depth and that the mineralization assumed a more regular aspect.

The Company is capitalized at $1,000,000, divided in shares of a par value of $1.00 each. Of this amount only 200,000 shares are being offered to the public at a price of

35 Cents per Share

The proceeds of the sale of this stock will be used for further development of the properties, the sinking of the shaft to 100 foot level and the installation of the necessary mining machinery.

Sphinx Abitibi Mines Corporation offers excellent speculative possibilities for the future AND THERE IS NO DOUBT THAT THE STOCK WILL SELL AT MANY TIMES ITS PRESENT LOW PRICE. While the risks of mining are accepted as a matter of course, when success is achieved the reward often proves extraordinary.

We confidently recommend the stock of the SPHINX ABITIBI MINES CORPORATION at the present price of 35 CENTS PER SHARE.

Application will be made to list the stock on the Standard Stock & Mining Exchange, Toronto

A circular giving full details regarding this issue will be mailed upon request.

Quebec Mining Securities Limited
93 Rue Saint-Pierre, Quebec City

Geo. S. Van Moltal & Company
21 King St. E., Toronto, Ont.

Three Attractive Quebec Speculations

Andean Copper Mines

A MOST PROMISING MINING SPECULATION

Capitalization — ANDEAN COPPER MINES, LIMITED, incorporated under the Laws of the Dominion of Canada, has an authorized capitalization of 4,000,000 shares or no par value, fully paid and non-assessable.

Properties — Two groups of claims comprising approximately 600 acres. One group adjoins the properties of the TOWAGAMAC, which has recently been incorporated to take over the ALDERSON McKAY and the NOAH TIMMINS properties in Boischatel Township. The other group lies slightly to the west and in the same area. In this area are the holdings of the CONIAGAS, TONOPAH, NORANDA, CONSOLIDATED SMELTERS, PIONEER SYNDICATE and several other big mining and development companies.

Geology — The properties lie in a highly mineralized area and the general geology of the properties is favorable for the occurrence of economic ore deposits.

Development — Surface work has disclosed a large mineralized area upon which arrangements are now being completed to conduct an electrical survey for the purpose of determining where to diamond drill to enable the Company to open up its properties at depth. The work already done bears out the opinions previously expressed.

Power — A contract has been let for electrical power to serve the district of North-western Quebec and the same is installed at the present time and is now available.

Transportation — The C. N. Railroad branch line from Tachereau to Rouyn, this giving an all-rail route to the centre of the camp. Further information is to the effect that a branch line is to be run from this Rouyn line to serve the TOWAGAMAC and other properties in the same section. This branch line, according to information received, will pass through or very close to the ANDEAN properties. At the present time the Quebec Government is completing motor roads which are to be in use next year.

Financial — Arrangements have been completed with strong Toronto and Ottawa financial interests whereby ANDEAN COPPER MINES, LIMITED has arranged for funds for development purposes in the underwriting of treasury shares. The Company is thus assured of sufficient funds to carry out the development work planned.

Market — ANDEAN COPPER MINES shares are as yet unlisted but application is to be made in due course to list the shares on the Mining Exchanges.

The location of the ANDEAN COPPER MINES properties in relation to the TOWAGAMAC, and other big mining and development companies, the fact that important showings of copper and gold ore have been uncovered and the assurance of business-like development hold out reasonable hope of ultimate success.

An Attractive Purchase—ANDEAN COPPER MINES shares at the present price present very attractive possibilities and from the results so far obtained we recommend their purchase as a most promising mining speculation.

PLANT & HAMPSON, LIMITED.

Corona Mines Limited

Capitalization $3,000,000

Property — 800 acres located in Duprat Township on the Boischatel boundary line just to the west of the Dufresnoy boundary line. It is in this corner, where these three townships meet with Rouyn, that such highly favorable surface results have been met with on several properties. Indications are that this section may provide a number of mines. 200 acres in Dasserat Tp. adjoining Nipissing holdings.

Geology — Jos. Houston, M.E., declares that a large break passes up through this area, and where intersected with diabase dykes the situation is favorable for the finding of commercial bodies. This has been the experience on other properties. Corona, in the heart of this area, is thus favorably situated.

On the Dasserat group, adjoining Nipissing on the south, a recent important discovery was made. A continuation of the Nipissing ore zone is indicated from advices from the property.

Development — It is proposed to have an electrical survey made of the company's holdings and this will be followed immediately by diamond drilling.

Camps — Camp buildings have been erected and the crew engaged on this work is now turning its attention to a systematized surface exploration. It is proposed to blast into the gossan where the big discovery was made in the early part of the winter just north of Rebago and U.S. Smelting properties.

Transportation — As with the other properties in this section, the Macamic Road, a well gravelled highway, passes in close proximity, making it easy to haul freight from the Rouyn station.

Finances — The treasury of the Company is in a strong position. A large Toronto house is providing ample funds at regular intervals to care for the development program. A good sum is now in the treasury. With excellent properties, capable management and a strong financial position, the shares of this operation are regarded as an attractive speculation.

Duprat Mines Limited

Incorporated under the laws of the Province of Quebec

4,000,000 Shares of $1 Each

Properties — Duprat Township. Two groups of claims are owned, each of approximately 250 acres. One group adjoins on the west the Waite-Montgomery. The other adjoins on the north the holdings of the Consolidated Mining & Smelting Co., and lies a short distance west of the Amulet "A" holdings.

Montbray Township. 400 acres adjoining holdings of Nipissing.

Development — Following the extraordinarily rich discoveries of copper ore on the Waite-Montgomery and the Amulet "A" group, the purchase first of a large interest in Amulet and later in Waite-Montgomery by Noah A. Timmins of the Hollinger Consolidated, exploration of the Duprat properties resulted in the uncovering of a deposit of copper ore. This discovery was uncovered for a length of 150 feet and a width of 50 feet. This was followed up by test-pitting which confirmed surface values. An electrical survey on the Duprat was made with the view of locating additional ore zones, to guide in further development, and the indications given are now being explored by diamond drill.

Assays — Samples of the surface material when assayed gave a return of better than 20% copper, 1.82 ounces of silver and a trace of gold. These values are considered distinctly encouraging.

Plant—Surface buildings sufficient for present needs have been constructed, and these will be added to from time to time as conditions warrant.

Power — Electric power from the Quinze Development will be available in close proximity to the property early this spring.

Transportation — The Canadian National branch line from Taschereau (formerly O'Brien) is now operating into Rouyn and supplies an all-rail route right to the centre of the camp.

Favorable Location — The location of the Duprat properties in relation to Waite-Montgomery and Amulet, the fact that important showings of copper ore have been opened on the Duprat, the high percentage of copper content as shown by assays, and the assurance of businesslike development furnished under the supervision of Mr. J. C. Houston, consulting engineer, hold out reasonable hope of ultimate success. The Montbray group is in an attractive position and has excellent possibilities, our engineer reports.

Smelter Facilities — According to official statement, NORANDA have commenced the erection of a 1,000 ton customs smelter. There is a strong probability that the CONSOLIDATED SMELTING COMPANY and the TOWAGAMAC will also install customs smelters. All of these plants it is understood will be available to companies who can supply copper ore for treatment.

Possibilities — The possibilities of Northwestern Quebec have already given abundant assurance of the potential value of the great Copper and Gold deposits, and they have received world-wide advertisement. In fact of all the vastly rich mineral deposits which mine hunters have so far been able to find in the whole world, those in the mining district of Northwestern Quebec are among the greatest.

We Recommend These Issues

PLANT & HAMPSON

Members Montreal Mining Exchange

BLACKBURN BUILDING

OTTAWA, ONTARIO

S. E. MONTBRAY IS FAVORABLE SECTION SAYS ENGINEER

J. W. Morrison Makes Interesting Report on Metcalfe-Epplett Group

Metcalfe-Epplett mines will develop the holdings held under this name in Montbray Tp., Quebec, just on the Duprat Tp. boundary. An important copper discovery was made on property last summer and since then it has been twice optioned. McIntyre considered taking it up but the owners' insistence on retaining a 10 per cent. interest did not meet with favor.

The most recent work is said to have opened a vein 17 feet in width for a length of 48 feet, showing massive chalcopyrite, with high copper values and good gold values. This find is a short distance from the ones worked by the two optioners of the property.

J. W. Morrison, M.E., has just completed a report on the claims. He indicates an encouraging outlook. He says:

The property is made up of 13 claims, approximately 520 acres. The formation consists largely of rhyolites and andesites, with later intrusions of diorite and diabase. These intrusions range in width from 5 to 100 feet, having a strike about 10 degrees east of north, and are well distributed over the property. There are evidently two series of rhyolites, one fresh-looking and well mineralized, the other darker and carrying very little mineral. A few outcrops of andesite were noted, but their relation to the other rocks could not be determined.

Five Mineralized Sections

There are at least five zones where the mineralization is strong and which offer possibilities of ore bodies. They are all associated with the mineralized rhyolite, near diabase contacts, though in all cases this is not evident on account of the overburden.

No. 1 is on the contact, or partially included in a diabase dike, having a strike about northeast, and a dip of about 60 degrees to the north. It outcrops on the surface for a distance of 40 feet, has a width of from 2 to 6 feet and, in sections on the surface, it is made up of massive pyrrhotite, with disseminated chalcopyrite and pyrite around it. The bottom of a test pit 10 feet deep shows heavy chalcopyrite and pyrrhotite in the bottom.

There are many other locations of the property that have good possibilities from a geological standpoint, much better, in fact, than the ground about No. 1, though here we have what appears to be a small ore body, which, it is quite possible, will develop into a large one. There is so much promising ground untouched that I think it a good policy to prospect and explore this before concentrating on any one point. I am convinced that a large ore body might easily be found.

Electric Survey

J. A. Naud, Laval's vice-president, has electrical survey apparatus on his own property as experts stand by.

Will Noranda Strangle Rouyn?

Many Expect to See Repetition of Porcupine in Regard Municipalities

Will the developments in Rouyn mining area bring about a situation similar to that which developed in regard municipalities in Porcupine area?

This question is frequently asked in Rouyn.

In Porcupine, South Porcupine and Golden City sprang up like wildfire and boomed during the early days of the camp. When Hollinger got settled down it decided to have its own townsite and Timmins came into being. It was laid out carefully with water and sewer age installed. It sprang ahead and at the expense of South Porcupine. To-day the latter is but a skeleton of its former self. Timmins is the big town.

To-day Rouyn City is booming. There are some 3,000 people living there and a tremendous amount of building is going on. Situated to the north-west is the townsite of Noranada. It is not on the market as yet, but will soon be ready. The streets have been laid out and considerable work done on them and the water and sewerage pipe is on the ground ready for installation. Rouyn City has made no move yet in regard water and sewerage.

Will Noranada strangle Rouyn as Timmins did South Porcupine?

The Rouyn City people say no. They claim that there will be too many restrictions on the Noranda lots but they also said the same thing about Timmins.

COPPER FIND BY DRILL

Copper values have been encountered by Brownlee Mines in a diamond drill hole about 20 feet from the Noranda.

Power and Transportation Mean Much to Rouyn Area

The stage is set for a big year in Quebec. The camp is particularly fortunate in that in such a short time after its discovery it has been blessed with power and transportation.

The main power lines are in the camp and most of the cabins of Rouyn are now electrically lighted. The power company is pushing ahead its power lines along the Macamic Road to the Waite Montgomery, and power will be available to all the operators along the route as well. This includes that attractive looking group of operators at the Four Corners, as the junction of Rouyn, Boischatel, Dufresnoy and Duprat is coming to be known.

An abundant supply of power will not only greatly accelerate operations but will reduce costs materially for the operators in a position with their operation to immediately take advantage of it.

Saving in Freight on Fitted Mine Timber Equal to Cost of Having the Fitting Done

Freight Charges Are Tremendous Item for Rouyn Operators, But Good Value is Being Secured by Horne People Studying Matter

Freight charges in the Rouyn camp are a very embarrassing thing. The writer heard of one or two shipments of heavy material, that when delivered at the mine in Rouyn, had cost 150 per cent. above the purchase price.

Noranda people have been giving keen attention to the question of added costs through freight rates and have made two rather interesting savings.

The most outstanding was in regard the timbers for the new main shaft. Below the concrete collar, heavy timbering is used on the shaft. It was decided to get heavy B.C. fir for this. It was also desirable that the timbering for a distance down should be creosoted. If the creosoting was to be of any benefit, the timbers would have to be fitted first. This meant that the timber would have to be brought from B. C. to the mine, fitted and then shipped to Sudbury for the creosote treatment.

Some investigations were carried on and it was found that if the timbers could be fitted in British Columbia and creosoted there and then shipped to the mine, they could be laid down at a saving in freight rates, that would cover the cost of having the fitting done at the coast. In other words, the reduction in the freight charges by removing parts of the timber in fitting was equal to what it would have cost the company to have had the fitting done at the mine by their own staff.

A second instance was in regard to large plank. In the construction of the surface plant, a tremendous footage of these plank is being employed. It was found that the saving in freight by having the plank dressed on four sides before shipment, was equal to the cost of doing the dressing, and of course, the dressed lumber makes a much better job.

Road to Rouyn is Not Easy in Winter Time

Pitch Holes and Severe Zero Weather Make Long Drive by Cheminis a Test — Impresses One With Immensity of Country

Much has been written about the hardships of the trip into Red Lake. This trip was hard and still is and so somewhat overshadowed the rather difficult short route into the Rouyn camp, via Swastika, Cheminis, or what is known as the T. and N. O. route.

The difference in spelling Rouyn saves the name of this route "The Road to Rouyn" from being a misnomer, for the present indications are that it leads to one of the greatest mineralized zones on the continent and promises to bring untold riches to many.

It is no easy trip into Rouyn during the winter, no matter whether it be by train, around by Cochrane and Taschereau or by the T. and N. O., the final stage of which is a drive of some thirty odd miles.

From End of Steel

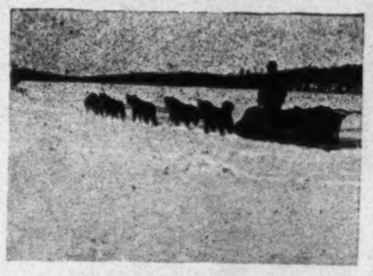
In making the trip recently to get some information about the camp, the writer elected, as a time saver, to make the trip by Cheminis. This place is the end of steel at the Ontario-Quebec boundary. The trip in was not too bad. It was made late at night with the temperature considerably below zero. The saving grace was that a new snow motor was available and this rather unique vehicle made the drive easily in four hours.

The Road to Rouyn is rough. The first ten miles are over high ground that has been burnt. The timber is pretty thin and the wind gets a fairly good sweep. There was quite a party in the snow motor and we packed in tight. Two bank managers going in to look the ground over with a view to establishing a new branch; a leading consulting engineer, a manager of one of the Rouyn mines now very much in the limelight and a manager of new townsite, and the writer made up the passengers.

The first part of the trip, that over

(Continued on page 35)

Dogs Invaluable



Team of Harvie Mining Co. cost $200 but earn purchase price quickly.

Hard to Find Copper Bodies

No Veins to Follow in Hunt for Ore — An Interesting Noranda Case

Finding copper ore bodies in a mine like the Horne is no sinecure. It is much more difficult to know where to look for ore than it is in the gold mines.

The gold mines look for breaks and find veins in these breaks and if the veins are good looking, strong, well defined and mineralized, they are drifted on. There is a reasonable expectation that gold values will be found.

With copper it is different. There are no veins, no leaders to follow or to indicate the possibility of finding ore. The result is that the operator cannot tell just when he is going to bust into an ore body or how close he may have worked to an ore body without having encountered it or found any indication to lead him to suspect its presence.

An instance of this was one of the Horne ore bodies. A drift had been run into the ore and suddenly it terminated. Supt. Roscoe suspected that the body should have been more extensive on this (the third) level. He decided that the cheapest way to try out his theory was with a diamond drill. He started in to cut a station for the diamond drill and the first round in the station revealed the ore body to one side as rich as ever.

ANDEAN COPPER TO MAKE ELECTRICAL SURVEY AT ONCE

New Concern Has Had Several Bids for Block New Towagamac

Andean Copper Mines, having approximately 600 acres divided into two groups in Boischatel Township, northwestern Quebec, is a new Quebec venture, one group adjoining the properties of Towagamac on the north and the other group lying slightly to the west and in the same area. In this area are Coniagas, Tonopah, Noranada, Consolidated Smelters, Pioneer and several others. The properties lie in a highly mineralized area and the general geology is favorable. Surface work has disclosed a large mineralized area upon which arrangements are now being completed to conduct an electrical survey for the purpose of determining where to diamond drill to enable the company to open up its properties at depth. The work already done bears out the opinions previously expressed.

The C.N.R. branch line from Taschereau to Rouyn is reported to be completing arrangements for a branch line to be run to serve the Towagamac and other properties in the same section, which will have an important bearing on operations in this area.

A deal involving a considerable sum, it is reported, has been closed with Toronto financial interests, and Jos. Houston, E. M., has been retained as consulting engineer. A program of development work has been mapped out to start at once. It is reported that representations from three sources have been made to the company for control of the group of properties adjoining Towagamac.

Application has been made to list the stock on the Montreal Mining Exchange where a very active market is anticipated. The Company states it proposes to make application to list its shares also on Standard Stock and Mining Exchange, Toronto.

Pete Cobalt Proceeding

Pete Cobalt has found that the diabase contact flattens out, so that what was planned as an incline winze is now really a drift under the lake. Good progress is being made.

"Can't Build a Head Frame"

The writer heard an interesting tirade against young mining engineers while on a trip into Rouyn. A hard-shelled old engineer was talking about opening up new prospects. He remarked how hard it was to get good men to put in charge.

"You got to get practical men," he said. "The young engineers are no good. All they want to do is to get out examining properties," and he added, after a pause, "and turn them down. But, send them in to open up a prospect, build a head frame, and they are helpless. They can't do it."

THE FORTNIGHTLY
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SPECIAL ISSUE ON QUEBEC COPPER-GOLD AREAS
NORTHWESTERN QUEBEC ENTERS NEW ERA OF INTENSIVE DEVELOPMENT WITH EXTENSIVE PROVEN AREA AND STRONG FINANCIAL BACKING

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Quebec Forges Ahead
to World Mining Prominence
Copper-Gold-Zinc of North-West Section and Gaspe Lead-Zinc Deposits are Becoming Significantly Important

In the light of the discoveries of ores or copper, zinc and gold made within the last three years in western Quebec, it may not be amiss to compare the "past" in our mineral industry with its "future."

The past can be dismissed with a few words. It is interesting to state that although a small iron smelting industry was established on the St. Maurice River as long ago as 1736, and gold was produced in Beauce County sixty years ago, the metallic minerals have never contributed a large amount to the total of the mineral production of the Province. Of the $25,000,000 which represent the annual value of the products of our mines, over 90% is made up of non-metallics such as asbestos, mica, magnesite, feldspar and building materials. The recent discoveries of copper, gold, zinc, made in the Abitibi-Temiscamingue region; the development work done on the Gaspe lead and zinc deposits bid fair to alter this, and there is promise that, within two or three years, Quebec will be producing all these metals in very appreciable quantities.

Future Bright

The future of our metal mining industry appears to be of the brightest. The discoveries of metallic ore deposits in Northwestern Quebec made within the last two years have been sufficiently important to induce the construction of fifty miles of railway to tap the centre of the mineral zone; a 1,000-ton smelter has been decided upon and its erection has been started; a town—Rouynville—which now comprises 125 buildings, three banks, a school, seven stores, has sprung up in a year and a second one, Noranda, has been incorporated by special charter. 250 miles of roads and trails have been opened by the Provincial Government and the Mining Companies.

Claim recording offices have been opened at Ville-Marie and Amos, and reliable assay offices have been subsidized in Rouyn and Amos so that prospectors can have their assays done practically on the ground, and at reasonable rates, thus enabling quick returns as a guidance in their development work.

Opportunities for Capital

The discoveries made, and the geological conditions observed, indicate mineral possibilities over an area of 10,000 square miles in this new region, and to the cautious and discriminating capitalist this field offers opportunities which it would be difficult to duplicate anywhere at present in the world. It can therefore safely be predicted that however spectacular its development during the last year, the next twelve months will see the Quebec Mining Industry progressing at increasingly greater strides.

The strata of Ontario's gold section carries 100 miles or more into Quebec. Many gold discoveries have been made in the last couple of years, though the chief interest and the future of the camp is in the copper-gold deposit. On the Horne property, owned by Noranda, the rocks consist of Keewatin rhyolite, rhyolite tuff, and dacite, intruded by elongated bodies of fine-grained gabbro trending in one general direction, and ore-bodies have developed in the rhyolite and tuffs along zones of fracturing. In these zones, pyrite, pyorrhotite, and chalcopyrite, without quartz, calcite, or other gangue minerals, have been deposited, have partly or completely replaced the country rock, and form lenticular ore-bodies up to 60 feet in width. One such lens carries $7 to $8 in gold a ton and 17 to 20 per cent. copper. On another group of claims the rhyolite has been shattered and in the zone of shattering quartz, calcite and pyrite form a network of veins, and the sulphide is abundant through the country rock. Gold is present, apparently associated with the pyrite.

Gold Content Comparatively Low

Less than a mile away, the Keewatin rocks and intrusive masses of granite are traversed by a highly inclined quartz vein, which is mineralized with pyrite, has an average width of 3 to 6 feet, and has been traced over a length of 3,600 feet. The gold content is comparatively low. In other properties in the same general district the gold-bearing deposits consist of sheared zones in part of which the rock is replaced by quartz, carbonate, and sulphides, chiefly pyrite, with variable values of gold. Other examples consist of gold-bearing, shattered zones in Keewatin volcanics. These are traversed by quartz veins; pyrite and chalcopyrite occur around and within fragments of country rock; numerous small veins rich in carbonate and pyrite are present; and locally the country rock is completely altered to carbonate. To the east, in the vicinity of De Montigny Lake, gold occurs in quartz and in pegmatic veins in places bearing tourmaline, pyrite, chalcopyrite, galena, sphalerite, and calcite. The veins cut volcanics, sediments and granitic rocks.

Mining Laws and Rights

The Quebec mining laws are very liberal and favorable to the prospector. They give security of title and are not burdensome either in money or assessment work. Moreover, the mining rights are mainly on Crown lands, so that virtually 90% of the whole area of the province may be staked out as mining claims, on the same terms by either British subjects or aliens.

The procedure of acquiring mining lands in the Province of Quebec, as recently established, has been favorably received, by both mining engineers and financial publications, as just and equitable, and free from burdensome restrictions.

For complete information write Hon. J. E. Perrault, Minister Colonization, Mines and Fisheries, Quebec, P.Q.

GREAT AMOUNT OF DIAMOND DRILLING IN N. W. QUEBEC

In All Cases Electrical Survey is Followed by Drill's Exploration

DIAMOND FACTS

Mining of Diamonds and Their Preparation for Drills Now Quite an Industry

Diamond drilling has become quite common in mining exploration, and has recently been tried out in oil drilling in Alberta with considerable success. A tremendous amount of diamond drilling is going on in Quebec. Practically all the companies using the electrical survey will diamond drill after, as Area is doing. On the other hand, Noranda, a large proven mine, is using diamond drilling in a systematic exploration for new ore bodies on the 300-ft. level and has proven that the already proven ore extends down to 740-ft.

Many questions are asked about the diamonds used in diamond drilling. Most of the black diamonds or "carbonados," usually called carbons, which are used in diamond drilling come from the State of Bahia, Brazil, though some are also found in Minas Geraes, according to the U. S. Bureau of Mines. They are found in gravel or conglomerate beds, which occur over a large area in these two states, and in beds of streams which have cut through the surface formations. Although found in Borneo, they have been mined only in Brazil.

Big as Baseball

Black diamonds range from stones of microscopic size to those weighing several hundred carats. The largest stone ever found was irregular in outline and about the size of a baseball. The average size of black diamonds, as found, is probably 5 to 10 carats. They are bought direct from the native miners by brokers or by representatives of the carbon houses. The black diamond is one of the rarest and most interesting of minerals; its chemical composition is exactly the same as that of the white stone, and its specific gravity ranges from 2.75 to 3.45. It is the hardest and toughest substance known. It is just as hard as the white diamond, which stands at the top of the scale of hardness, and is much less liable to fracture.

Black diamonds are generally believed to be composed of a large number of minute crystals firmly joined together and irregularly placed with relation to each other. They will take a rough but not a fine polish. The stones differ slightly in color; some have a reddish, some a grayish, and some a greenish cast, and other variations in color sometimes occur. The stones look like small cinders or pieces of coke; therefore they might be present in other parts of the globe without their commercial importance being known. The Brazilian black-diamond fields probably would not have been discovered if white diamonds had not been found there first. In some parts of the district white and black diamonds are found together, although the larger yield comes from places where white diamonds are rare.

Must Be Broken

Black diamonds in their natural forms seldom have the size and shape suitable for diamond-drill work, and therefore must be broken before they can be marketed. Breaking diamonds requires judgment and skill. The skill is shown by the way a workman breaks a large stone to get the greatest number of stones of the right size and shape. Approximately 20 to 25 per cent. of the stone is lost in breaking.

The bort, which is often used as a substitute for the black diamond, is an imperfect gem stone or white diamond. It is fully as hard as the black diamond, but is a single crystal and fractures more readily. Borts may prove a good substitute for black diamonds in oil drilling, where the formations are comparatively soft and the danger of breaking the stones is consequently much less than in hard formations. However, operators who have tried borts for coal prospecting have almost invariably found that black diamonds were more economical. It may be cheaper to use second-grade black diamonds for oil-field drilling than to use borts, which normally sell for about 60 to 80 per cent. of the price of first-grade black diamonds.

Selection Important

An operator who is not thoroughly familiar with black diamonds will find it economical to employ a carbon expert to select the stones for his first bits. Diamond importers and manufacturers of diamond drills will usually select diamonds for their customers and make a charge of about $5 a carat for this service. Some brokers even guarantee to replace any stones that prove too soft or contain flaws, charging a slight increase in price to cover this guaranty.

The number of stones for a bit depends on the size of the bit. The small bits used in drilling for ores are ordinarily set with six stones, although as few as two stones have been used. Large bits used in Europe for drilling large holes contain forty to fifty stones. For ordinary oil-field work the bits will probably require six to sixteen stones.

The stones used in metal prospecting ordinarily weigh 3 to 4 carats each. They have ample cutting surfaces and enough body to let them be firmly fastened in the metal of the bit. Stones of this size do not project more than one thirty-second inch beyond the outside of the metal. When mud fluid is used with the diamond drill, larger stones which will project further out from the face of the bit are needed. In this event the stones used in oil-field work weigh 7 to 10 carats.

Typical Rouyn Camp

Rouyn area is heavily wooded. Log cabins, bunkhouses, etc., are the order. The above camps of Harvie Co., in Clericy, are examples.

Old Colbalters Like Montbray

Nipissing, Coniagas and Mining Corp. Have Groups in This Area

Montbray Township looks attractive to the old Cobalt companies. Nipissing, Coniagas and Mining Corporation are centreing their activities in this Quebec township. Nipissing has the best looking property of the three in its optioned group taken over from Quebec prospectors along with a large acreage which the company itself staked. Assays show a good copper content and it is said that the gold values run $21 on surface.

Coniagas is not working this winter on its holdings but it is understood that both it and Mining Corporation will drive ahead on an exploratory effort in the spring. It is believed that both will employ the electrical survey. This method of preliminary exploration appeals strongly in this township where the overburden is said to be particularly heavy. Pioneer, the Huronian Belt subsidiary, and Consolidated Smelters, along with Towagamac are also in this township.

ASTORIA MINE HAS 6 QUEBEC GROUPS

Rather Attractive Holdings are Revealed in Well Selected List

Astoria Rouyn Mines is a new Quebec operation with 32 mining claims, 1,400 acres in Boischatel, Joannes, Clericy, and Rouyn Townships, in the vicinity of Noranda, Tonapah, Towagamac and Archean.

Group 1. About 400 acres, lies on the boundary of Rouyn and Clericy townships. The Harvie operation lies a little to the east.

Group 2 is in Joannes Tp., south of No. 1 group. Assessment work on this property uncovered a sheared quartz vein 42 feet wide with sulphides carrying gold. Another vein, eight to ten feet wide, was found on the south end of the property.

Group 3 is in Rouyn and on the geological fracture referred to in Dr. Cook's report. The extension of the Noranda lenses are in this direction.

Group 4 is the Imrie, Racicot, Pare group in Rouyn, for which many tempting offers were refused, as the owners always intended that all their property should go into one company. The most spectacular free gold showings in the copper area are reported.

Group 5 in Boischatel near Rouyn, adjoins McMillan claims of Huronian Belt Company. An outcrop 200 feet long with assays of $10 per ton in gold, over a width of eight feet, is reported on these, and the same good values were found on Astoria's claims.

Group 6, 268 acres, is near the Tonapah-Nevada, Arntfield, in Boischatel.

Billion Dollar Party Will Visit the Rouyn Field Next Week-End

Considerable surface work in a known mineralized zone has been accomplished on the U.S. Smelting and Refining group in N. E. Boischatel. The operating company is known as Thormoor and it took over the north property of Rouyn-Boischatel Development Company, Limited, 240 arces, along with 10 more claims along side, now on option with substantial first payment made. Total acreage 650 acres.

The company has an authorized capital 5,000,000 shares. Par value $1.00 each; 3,000,000 shares to remain in the treasury; 1,500,000 shares to be handed over to Rouyn-Boischatel Development Company, Limited, in full payment of north property of 240 acres. Thorburn & Company to take up 500,000 shares and assume all expenses on development work up to May 1st, 1927, also make full payments on properties under option, that is the 10 additional claims of 400 acres. 3,000,000 shares of treasury stock optioned to the U. S. Smelting, Refining and Mining Company at a schedule of prices making in all a total of $750,000. Expenditure on development work up to May 1st to be no less than $2,500 per month. All work to be carried out under the direction of A. B. White and the U. S. Smelting, Refining and Mining Company to put an engineer in the field to check up work and progress for the U. S. Company.

A large party of Boston and New York people, said to represent a billion dollars, will visit the property next week-end.

Capital Rouyn Get Funds in Maritimes

Capital Rouyn with well located holdings in the Rouyn field has met with good success in its financing operations, large blocks of the stock having been placed in the Maritimes. It is understood that the company has plans to launch an agressive mining effort during the coming summer.

The second of a new series of publications by the Geological Survey of Canada known as the Economic Geology Series, has just been published. This is a well illustrated report by Dr. M. E. Wilson on the Talc Deposits of Canada. Detailed descriptions are given of the most important known Canadian deposits. Talc is mined in British Columbia, Ontario and Quebec, but the most productive deposits are those of Hastings county, Ontario. The mode of occurrence of the mineral is described and a discussion of the theories of its origin is presented. Copies of this report may be had on application to the Director, Geological Survey, Ottawa.

Montchatel Co. on Big Copper Find on Group in Boischatel

Montchatel is the name of a new Quebec mining company organized to take out the rather spectacular copper showing which Wm. Fairburn unearthed last summer on a group of claims in Boischatel Tp., lying between Towagamac, Tonapah and Arntfield holdings. The discovery was made on the edge of a swamp which precluded further work at that time. But where opened up the showing revealed dozens of big gobs of ore. It is now intended to trench into the swamp, this being possible with the swamp frozen solid and further spectacular results are anticipated.

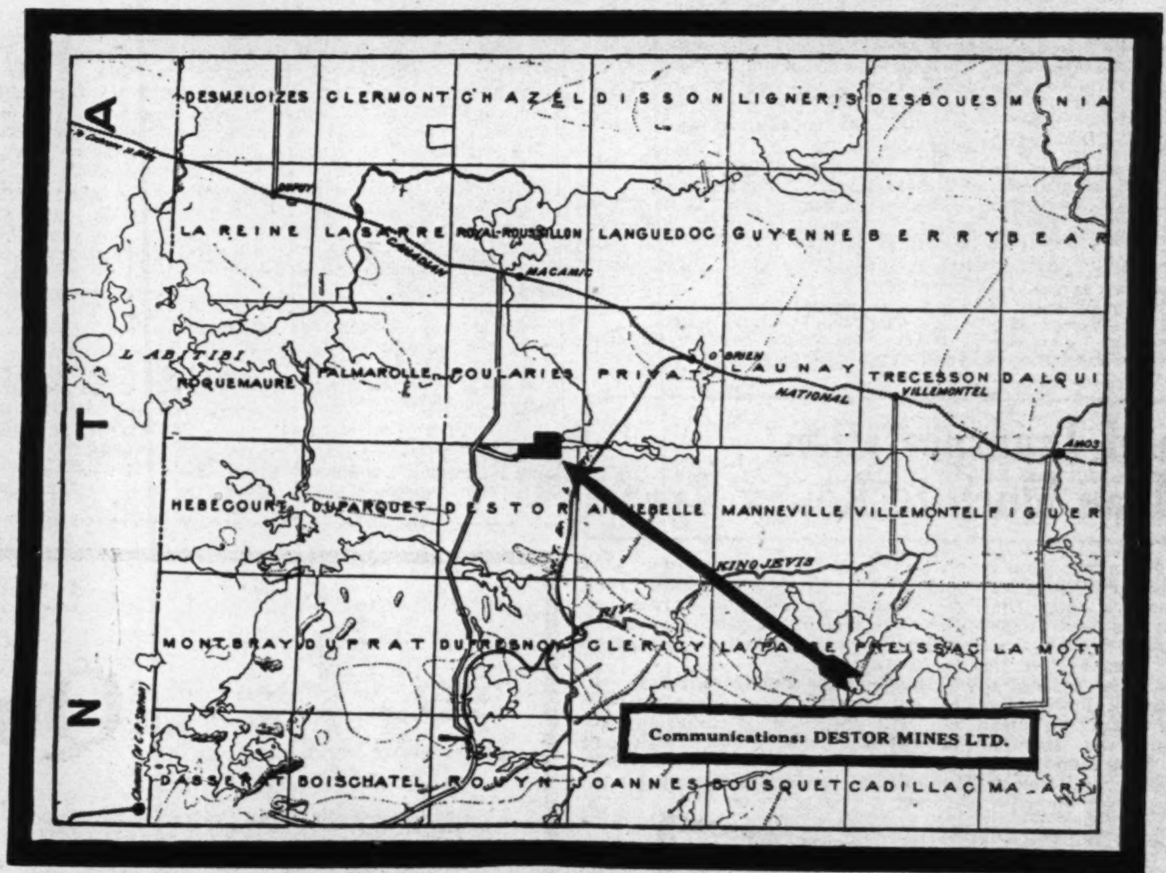
In addition to this group, the company has a second further east in Boischatel of 360 acres; 400 acres in Montbray near Consolidated Smelters and Pioneer, and 200 in Dufresnay near Sills Lake. In all cases, a certain amount of success was met with on doing assessment work, disseminated copper having been found on the Montbray and Dufresnay Tp. holdings.

Wm. Fairburn will be in charge of the work with J. H. Rattray, M.E., as consulting engineer. W. Ireland, M.P.P., is president. C. H. Moore, J. Woods and S. McLaughlin, secretary, are other officials.

DESTOR MINES LIMITED

(Incorporated under the Quebec Company Laws)

Authorized Capital $3,000,000 divided in shares of $1.00 each, issued; of which 1,500,000 are in the Treasury



The above map shows the carriage road on the left which reaches the property, and on the right the newly constructed Taschereau-Rouyn Railroad, 4½ miles from Destor Mines, Ltd.

A Meritorious Mining Opportunity

DESTOR MINES LIMITED is a company whose intensive development work on its properties within the past year now brings to investors a straight-forward opportunity to share, with reasonable safety, in the oncoming greater mining expansion in Northern Quebec.

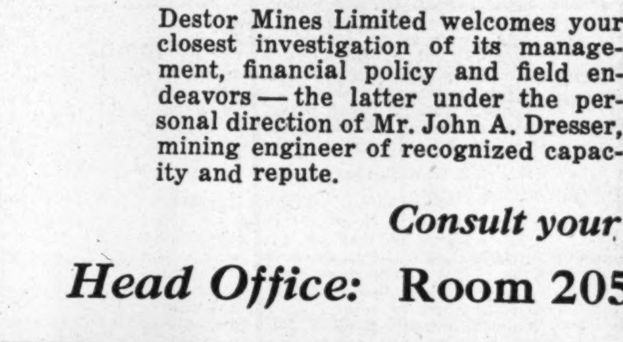
Destor Mines Limited welcomes your closest investigation of its management, financial policy and field endeavors — the latter under the personal direction of Mr. John A. Dresser, mining engineer of recognized capacity and repute.

Read, in our six-page folder, sent on request, the story of the company's 40 mining claims; the field work — trenching, stripping, dip needle survey—already done. Check the assays. Note the properties' location adjacent to granite intrusions — the significant factor attending the major copper-gold finds in Quebec.

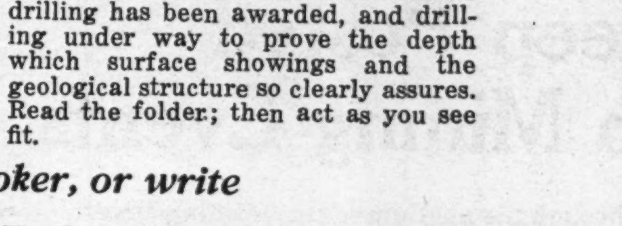
Note that the contract for diamond drilling has been awarded, and drilling under way to prove the depth which surface showings and the geological structure so clearly assures. Read the folder; then act as you see fit.

Consult your broker, or write

Head Office: Room 205-17, St. James St., Montreal



Showing one of the camps on Destor Mines, Limited.



On Destor's claim A-2217. Left to right: A. Gauthier; John A. Dresser, consulting engineer; J. A. Champoux, director.

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NOTABLE ADVANCE MADE LAST YEAR IN CANADIAN MINING

Marked Increase in Base Metal Production of Coast Province

OUTLOOK EXCELLENT

Further Increases This Year Are Looked for — Gold Output is Up

By WYATT MALCOLM,
Geological Survey, Ottawa.

The mineral industry of Canada is making notable advances and during 1926 made a very gratifying contribution to the general prosperity of the country. An estimate made by the Dominion Bureau of Statistics places the value of the mineral production for 1926 at $242,886,000. This is more than seven per cent. greater than the total production for 1925, which amounted to $226,583,333.

A few outstanding features that have had a bearing on the increase in production and that indicate further increases in the future are worthy of note.

There was a marked increase in the production of lead, zinc, and copper. British Columbia contributes most abundantly of these minerals. A great proportion of the lead and zinc comes from the Sullivan mine in the south-eastern part of the province. Extensions have been made recently in the plants for the treatment of the Sullivan ore and the lead and zinc ores of other mining camps of the province. These account for the increase in production. Ore reserves have been proved to be very great, and it is expected that a heavy production will continue for many years.

Allenby Copper

The copper deposits of Allenby mountain near Princeton have at last come into successful exploitation and the concentrator with a capacity of 2,000 tons a day has been in full operation. The two other large mines of the province, at Britannia and at Anyox, have been centres of great activity. The Ontario production is from the nickel-copper ores of Sudbury mining district. Further increases in copper production may be expected when in about a year the new mining camp of Rouyn and vicinity begins making an output. The completion of the railway line from Taschereau has solved the problem of transportation and will permit of the erection of the necessary plants for the mining and smelting of the ores. Ore bodies of great value have been proved, the extent of favorable prospecting ground is large, interest is keen, and intensive exploration will be continued. The possibilities of this part of the province are regarded as of great promise. In addition to copper there will be a production of zinc, and gold is an important constituent of some of the ores.

Flin Flon Outlook

A large ore body that bears great promise for the future is the Flin Flon body of copper-zinc sulphides of the Pas mining district, Manitoba. An experimental plant is being erected on the property at heavy cost to ascertain the best methods of treating the ores and it seems almost certain that in time a big mining and smelting industry will be established at this point.

Gold continues to be the most valuable of the metallic minerals mined in Canada, according to output, which exceeded $35,000,000 in value in the year. In gold mining, Ontario is far in the lead. Better prices were obtained during the year for asbestos, although there was a slight falling off in the quantity produced. Of this mineral Quebec continues the most important producer in the world.

Oil in Alberta

Few questions attracted greater attention in the mining world during the year than the oil possibilities of Alberta. The strike at a depth of 3,740 feet of a heavy flow of wet gas in Royalite No. 4 well two years ago, revived interest and as a result a great number of wells were drilled in different parts of the province in 1926, the greatest activity centering in the Turner Valley field and other points in the foot-hills. In two or three wells heavy flows of wet gas have been struck from which an important yield will be obtained but none is so productive as Royalite No. 4. Five hundred barrels of light oil is recovered daily from this one well and the gas after purification is piped to Calgary. Several wells have not yet reached the deep oil-bearing formation and the progress of drilling in these and in those situated in other parts of the province will be watched with great expectancy.

Duprat L.S. Syndicate Has Excellent Geology

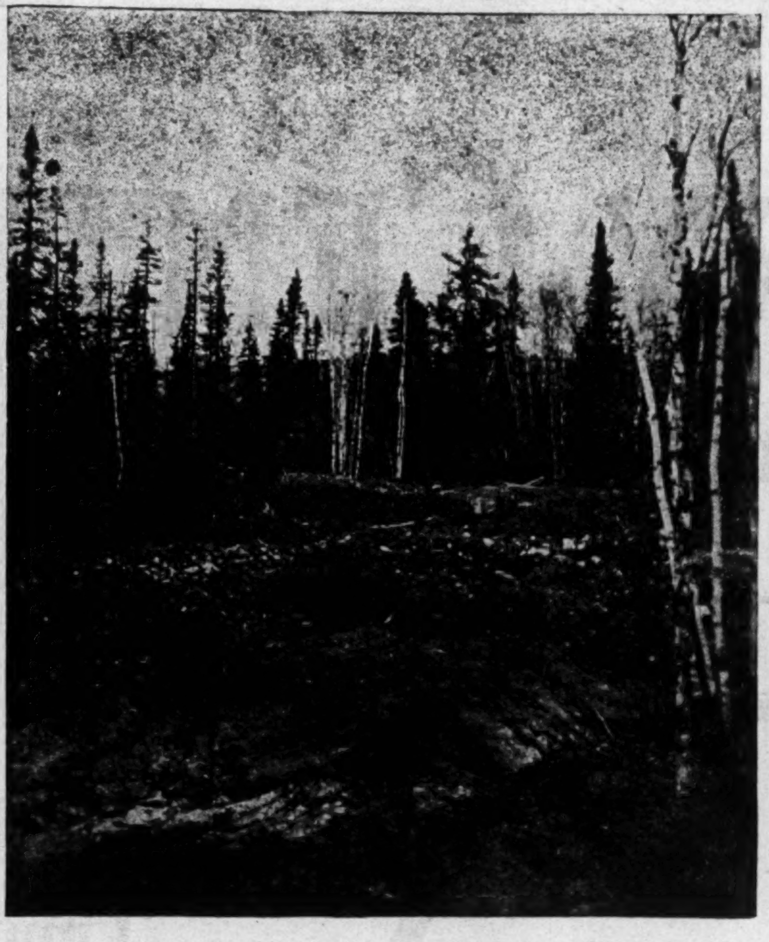
Duprat Lake Shore Syndicate has what is described as an excellent geological bet on Duprat Lake. The geology is the same as Waite-Montgomery to the east.

The large diabase dyke which cuts across the Waite-Montgomery, and north group of the Duprat appears to turn somewhat more to the north-west, where it goes under the over-burden on the Duprat property and should cross your property, writes J. C. Houston, E.M. It is believed by most of the geologists that the Waite-Montgomery ore-body is genitically connected with this dyke and that it is part of the parent magma from which it was derived. All the copper-zinc ores so far found in this section are in association with intrusives of this type.

If, as indicated, this dyke cuts your ground, there should be good possibilities of finding ore in association with it there.

It is the intention of the company to conduct an electrical survey and later an operating company will be formed and diamond drilling undertaken.

Clearing Surface a Big Task



The above picture of one of Harvie mining operations shows something of the work necessary in clearing surface before mining can be started.

Road to Rouyn Not an Easy Trip for the Winter Traveler

(Continued from page 33)

the high ground, was breezy but fairly smooth. One of the party had a large eiderdown and this added materially to personal comfort. The last two-thirds of the trip was anything but pleasant. It is mostly over muskeg. Snow fell early in November in the north this year with the result that there is little frost in the ground and the heavy travel on this forest trail made it a series of two and three foot pitch holes, very much like the roller coasters. Thus the trip developed into just one dip after another. It is also an explanation of why the snow motor service is constantly interrupted while new springs are secured.

Rather an unfavorable experience on the road was the attitude of the bus or stage drivers. They resent the appearance of the snow motor which makes the trip in about one-third the time they do. The trail is narrow and turnouts few and far between. Yet in several instances bus drivers refused to turn out or give half the road at these passing points and in one case, the driver refused to even halt and allow the snow motor to do all the turning out and get by.

Off the Trail, Bad

It is rather a serious thing to get off the trail at any but these established passing points, as the snow is many feet deep and danger lurkes for horses or human being for that matter if he is not equipped with snow shoes.

It was cold in Rouyn when that place was reached in the early hours of the morning, and it continued cold. But if the trip in was trying it was not to be compared with that coming out, which was made in an open sleigh drawn by a couple of Walter Little's sturdy horses. As the great bulk of the travelers in and out make the trip this way (by team) it gave one a good idea of what they experience.

Most of the travel over this route is by night. The train north lands one in Cheminis after dark and the buses leave right after. Coming out to catch the train south one needs to leave Cheminis by noon. To leave Rouyn in time to catch the down train the next day, travelers usually start out about 11 p.m.

Hesitated to Start

There was some hesitation on the part of all, even the hardy driver, on taking to the road on the night the writer came out. It was the coldest of the year. They said in Rouyn that around 10 o'clock it registered 37 below and was falling rapidly. And it was cold. Something better than three hours on the road brought what is called the half way house. Here a two hour stop was made to feed the horses and five hours finished the last and hardest half of the journey. At Cheminis they said that at 8 o'clock that morning the thermometer at the Northland Mines, a short distance west, had registered 55 below.

Picturesque Drive

It is a picturesque trip, if it was possible to travel with sufficient comfort that one could enjoy it. It must be made in winter, as the muskeg cannot be traveled over during the summer. The road takes some great winding swings. For instance, to go around Mt. Cheminis, which rises up several hundred feet, a few miles from the Quebec-Ontario boundary, requires an hour. The road gradually steps up, though at times the rise is on an angle of 45 degrees and perhaps falls away as quickly.

The whole trip impresses one with the magnitude of the country. A couple of hours after leaving Rouyn the road leading to Alderson MacKay property is passed. The thought that strikes one in going over the country, noting the density of the forest, is that the prospectors who pioneered this country and were the forerunners of this great development, gambled much for fame and fortune.

La Rose Will Start Work on Its Quebec Holdings

After considerable delay, arrangements have finally been completed for commencement of work on the La Rose property in the Rouyn mining district. Finances for La Rose-Rouyn have been raised through a deal with financial interests in New York, and exploration and development is to commence almost at once.

The claims in question were secured in the early days of Rouyn, and early assessment work showed them to have interesting merit.

CLERICY IN CLERICY TP.

Clericy Mines, Clericy Tp., Quebec, is moving quietly along. It is located to the east of the granite intrusion which has made this area so attractive.

MINING developments in Rouyn indicate that this district is probably the biggest potential producer of copper-gold ore in America, and current developments are of extreme significance.

Our own Field Staff watching day-to-day operations in this area place us in an enviable position to advise our clients marketwise.

We shall be glad to answer inquiries concerning the Rouyn properties.

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GROVER–DALEY

Capital Rouyn Mines

A MINE is known by the company it keeps. This applies both to its geological formation in relation to adjacent mines as well as to the personnel of the men who are financing and administering the company.

CAPITAL ROUYN is exceedingly fortunate in the company it keeps for its holdings are excellently located and, moreover, the actual showings on the CAPITAL ROUYN properties finds them in the class of their quality neighbors.

Block 1 — 240 acres — adjoins and is almost surrounded by Towagmac holdings.

Block 2—300 acres—is directly east of the Gamble-Bathurst properties, one of the important Granada Rouyn holdings.

Block 3 — 800 acres — is in the centre of Duprat Township adjoining a property now being developed by the Consolidated Mining & Smelting Company.

Sensational copper showings are already reported on Block 3 and samples are now in the assayer's hands.

Field Plans Progressive

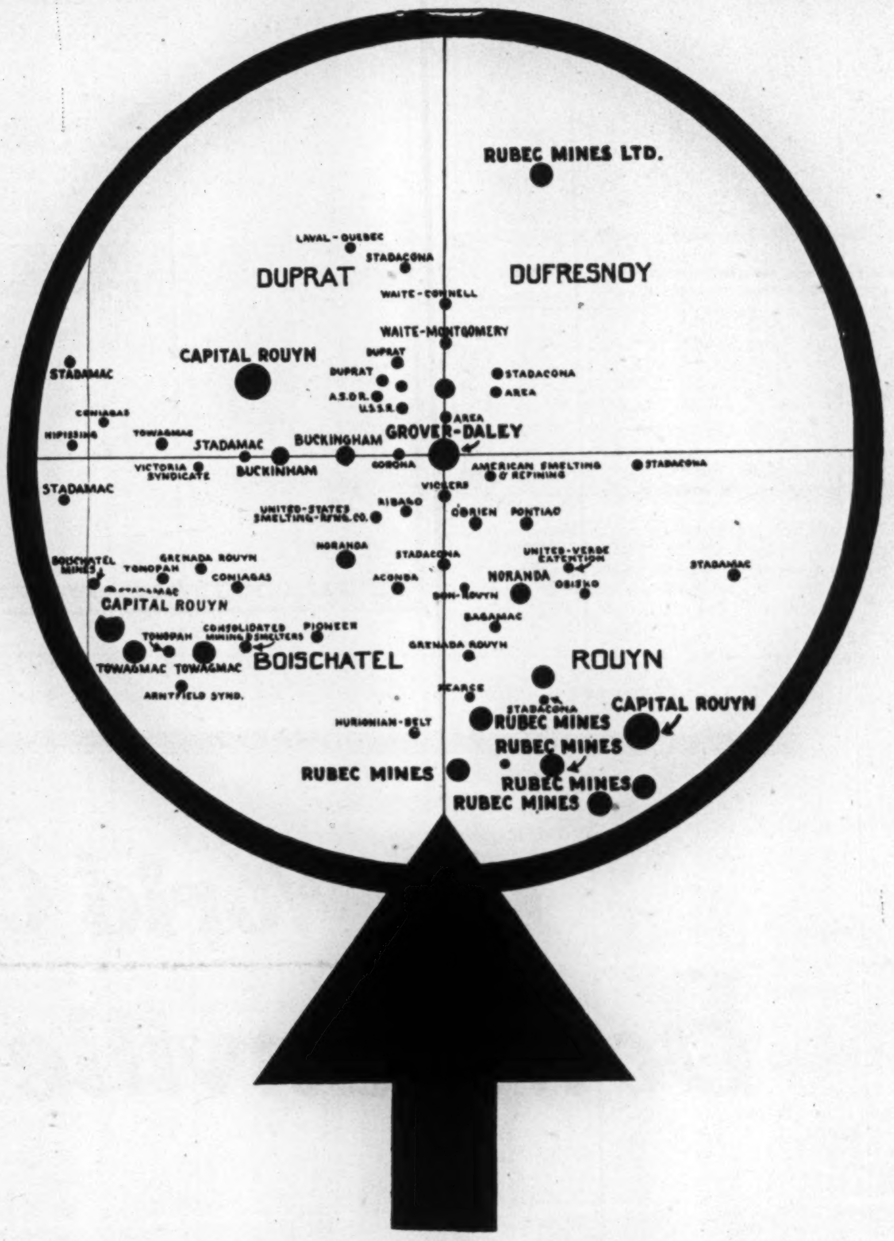
Field operations of Capital Rouyn are being carried on progressively.

On Group 1 a magnetometric survey is now definitely under way.

On Group 3 a crew of men under Mick McDonnough is now working and recent news of finds on this property reports exceptional showings.

The financing is in strong hands and sufficient capital is already assured for the first year's work.

* * *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Look to the North

AND TO GROVER-DALEY for Your Profit!

THE widespread confidence in the operations and opportunities of Grover-Daley Mines Limited rests in four essential factors — Its significant location in the very centre of the major group of Rouyn's best finds; its field showings; its competent executive and field management, and the presence of ample funds in the treasury.

Grouped around Grover-Daley's 400-acre holdings are AMULET, McDOUGALL-CASSELS, CORONA, VICKERS, RIBAGO, holdings of the U.S. MINING & SMELTING COMPANY, etc. To the north is WAITE-MONTGOMERY; to the southeast, NORANDA MINES, and to the southwest is the TOW-AGMAC (Alderson-Mackay) MINES.

The field showings, up-to-date, are as follows: —

Four mineralized zones of definite importance have been located on the Grover-Daley property—with a copper content of 11 per cent. On No. 1 showing there is very massive chalcopyrite. Mr. Henry J. Stewart, the consulting mining engineer, advises that he considers Grover-Daley—"a very good prospect warranting a most aggressive and intelligent programme of development." The erection of further camp accommodation on the property at this time presages the forthcoming development activity in the field.

The cash position of GROVER-DALEY is strong—$216,000 has been provided for the treasury, half of which has already been paid in, with 500,000 unissued shares in the treasury. This assures the aggressive and complete further development of the property to the point of fully proving its indicated worth.

The management of GROVER-DALEY is in excellent hands—meriting full investment confidence in the capable direction of the Company's affairs.

Rubec Mines Limited

RUBEC MINES LIMITED is one of the most promising new operations in the Rouyn field.

It is a consolidation of the properties of the Quebec Gold Belt comprising over 3,000 acres, together with approximately 2,000 acres of the R. C. Gamble holdings in Rouyn, Dufresnoy, Duprat and Montbray townships.

It is the policy of Rubec Mines Limited that through large and diversified holdings of well situated properties there is a maximum opportunity for mining success in the field with minimum risk to the investor.

Over $100,000 in Development

Moreover, it must be appreciated that more than $100,000 has already been spent on development work on the original Gold Belt holdings. This places shareholders in Rubec Mines Limited in the position of being able to expect results on the property much sooner than were they required to await the tedious time and effort involved in $100,000 worth of field development.

And this original development work was significant. It definitely indicated that the properties deserved further work in view of extensive surface showings of high values in both copper and gold. More recently good results have been secured by a magnetometric survey on Group 1 — the Rouyn Township holding. Further the main dike 90 feet wide has been traced from Noranda south through Group 2 of the Company's properties.

Financial Position Strong

Rubec Mines Limited will have over $150,000 cash with which to begin development, together with the above properties and 1,500,000 shares left in the treasury. The field work will be under the supervision of Robt. C. Gamble, who originally located the majority of the properties comprising the Quebec Gold Belt group.

This means the carrying out of that expansion of field operations which will bring the Company to the forefront among the ably handled mining developments of Northern Quebec — especially because of the justifiable expectations of what this further field work will produce.

* * *

For information on the above properties apply to your own broker or direct to

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190 St. James Street
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CORONA SAID TO HAVE PICKED UP NIPS BIG BODY

Report From Rouyn to Company Indicates Attractive Outlook

Corona Mines have two groups of properties comprising in all better than 1,000 acres. One group of about 600 acres is in the southeastern corner of Duprat Township adjoining and in the same area as U. S. Smelting, Ribago, Grover Daley, American Smelting, Amulet, Duprat and Waite-Montgomery.

The other group of better than 400 acres is in Dasserat Township immediately adjoining Nipissing's Montbray holdings.

Corona has made an important discovery on their Dasserat group, and as a result of the showings, some further surface work was done and, while no massive chalcopyrite was found the mineralization was becoming stronger and on the direction of J. C. Houston. E. M., consulting engineer, camp buildings were started and will be completed by the end of this week, when the men will move in. The men occupied on this work will then be available for further surface work on the property. Among other things it is proposed to blast into the gossan which occurs across a big width on the southerly part of the property. It is believed that beneath this gossan there should be an important deposit of chalcopyrite. Always where chalcopyrite orebody stands exposed to the surface the copper leeches out of the surface exposure and leaves a capping which is known as gossan. Such a situation as this occured on the main and original discovery on the Horne claims of Noranda Mines. Early assays from the deposits were extremely disappointing, but after blasting a few feet the massive deposits of chalcopyrite was revealed.

Arrangements have been completed for an electrical survey of this group of Corona's holdings and the survey is to be started just as soon as the Swedish Electrical Company have a machine available. Dr. H. Lundberg will be in charge.

Corona's other group of properties has sprung into prominence recently. The following telegram was received by the company from their field scout:—

"Just arrived from Dasserat holdings of Corona Mines, adjoining the high gold-copper property of Nipissing. Have made important find massive copper in a large body of sulphides in a basalt and rhyolite contact. Letter with samples following. The formation is ideal, being an extension of the Nipissing orebody. You can expect important news from this find in the near future. Samples should assay good. Cannot tell full width of the orebody at present."

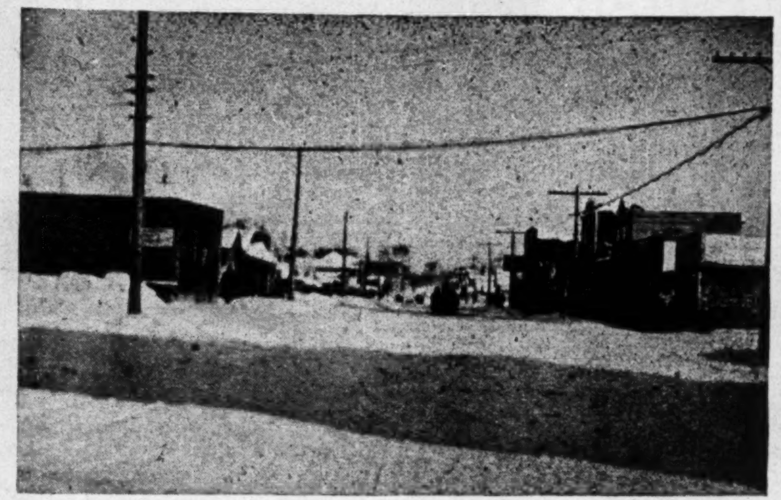
a (Sgd.) A. COOK.

The Company is exceptionally well financed, having closed a deal with Toronto and Ottawa financial interests for ample funds.

ACONDA MOVES QUIETLY

Little information has been forthcoming on Aconda Mines, in Quebec, since the reported find of platinum. It was said in Rouyn that the outlook of the property was considered excellent, so that it may be that the company is looking for definite results before proceeding further.

Rouyn City Springs Up



A street scene in the Quebec Mining camp—new building went on all winter.

Was Diabase Responsible for Horne's Chalcopyrite Deposits?

Difference of Opinion Exists as to How the Copper Ore Was Deposited — Writer Notes Some Interesting Little Underground Facts

Which came first, the diabase dyke which seems to have cut the Noranda ore bodies in two, or the ore bodies?

Some say the diabase dyke was responsible for the deposition of the chalcopyrite (copper) content, and that the copper content is a replacement deposit.

The writer noticed one very striking thing underground. Where the high grade copper body was in contact with diabase, there was not the least sign of alteration which one might expect if the solutions bearing the copper content came in contact with the cooled diabase mass already in place. On the other hand, the first few inches of the diabase next to the chalcopyrite was brecciated or broken, as if it was fractured in cooling.

This might indicate that the chalcopyrite was there first. Another interesting point is that one of the ore bodies where in contact with the diabase is mostly rhyolite with about 2 per cent. copper and the farther away it gets from the diabase, the higher the copper content. The writer does not know the significance of these little things. They are important. The point was raised with a number of engineers. A difference of opinion was found. Some think the chalcopyrite was a replacement body, later cut by the diabase; others think the diabase responsible for the replacement and are looking for ore on this theory.

Noranda Eager to Get Busy Driving Shaft to Deep Level

(Continued from page 17)

to get at. The new shaft has been broken through from the third level to surface and is now being squared off and timbered. When this is ready to work and the three levels have been placed in proper shape for framing, now the main shaft or the first shaft sunk and it was driven down in ore to mine around the shaft all the way down. Meanwhile, the management has launched one of the most aggressive and, at the same time, systematic programs of underground exploration, that has been known on any property. This is taking place on the third level.

Systematic Explanation

North and South through the property there runs a 90 ft. dyke of diabase rock. It is in contact with this diabase that the ore bodies developed to date have been found. The exploration undertaken has been to drive a long north and south crosscut on each side of the dyke 350 feet from its centre, which means that the two crosscuts are 700 ft. apart. The crosscut on the west had been carried 1,000 ft. north and 500 ft. south when the writer was on the property. At intervals of 100 ft. for the extent of these crosscuts, diamond drill holes are to be driven in 350 ft., which will take the drills into the centre of the diabase dyke on each side. In this way, the company will have a complete log on this 700 ft. section from the north to the south end of the property.

High Gold Values

For a time the north crosscut on the west followed a very interesting gold vein. It consisted of narrow stringers of quartz with a diabase filling between the stringers. For a time an attempt was made to follow the vein within reason, but it ultimately passed out on the side of the crosscut and so not a great deal was learned of it. Further attention will be given to it later, however, as it is not without possibilities. The writer was able to pick a little free gold out of one of the stringers. Just where the vein passed out of the crosscut there was a very rich section which gave values of $60 and $110, and these have made the showing attractive. It would make very excellent flux for the smelter.

The first diamond drill hole from one of the crosscuts had just been started when the writer was on the property so that the results of this effort are for the future.

DESTOR MINES TO DRILL 20,000 FT.

One of Early Holes Said to Have Indicated Wide Mineralized Zone

John A. Dresser, consulting engineer of Destor Mines, Limited, has received a report on the diamond drilling operations on the company's property which were commenced in December. It is understood the drill indicates a vein 37 feet in width, highly mineralized. The hole will be continued to a depth of 200 feet. It is understood that Mr. Dresser is well satisfied with the results to date. Smith and Travers are doing the drilling and will put down 22 holes. The contract calls for 20,000 ft. of drilling, but may be extended to 50,000 ft. if Mr. Dresser thinks it necessary. The company has 40 claims, about 1,600 acres.

Rouyn Mine Camp Boundaries Being Steadily Pushed Back

(Continued from page 17)

is one big operator, holding the bulk of the promising section in there and the policy has been to open up and see what is there before making any noise about it. The Archean Co. has a tremendous spectacular showing in the camp, standing perhaps second only to Noranda. Its showings are decidedly attractive.

In Destor and in several places along the transcontinental, there are many interesting properties. Destor Mines, Jay Copper, Abana, Fisher, Quebec are attractive looking ventures. Abana is entangled in much litigation; Jay Copper is making good progress. The writer recently saw some diamond drilling core that this concern took out and which compared favorably with any in the camp. Fisher Quebec is Frank Loring's large property near Amos in which big people are becoming interested.

Little has been said here in regard to the gold area. It is dealt with in another article. A map which has been prepared and which apears in this issue, is reproduced for the principal purpose of driving home the fact that distance in the Quebec section is immense; that finds have been made over a tremendously wide area and that the possibilities of the whole country are great.

Clay Belts Expand as Mine and Paper Industries Develop

The agricultural clay belts of Ontario and Quebec face tremendous possibilities, because of the creation of new markets by the development of the mines and expansion of the pulp and paper industry.

The Ontario-Quebec section of the clay belt on the Transcontinental, east and west of Cochrane, in 1920 produced 3,000 tons of hay and in 1925 produced 93,000 tons. In 1920 they had 3,000 dairy cattle, last year 17,500. They had 2,000 horses then, 12,000 now. They produced 225,000 bushels of oats then, 750,000 now, and other grains in proportion.

They shipped from that section of the country 12,538 cars of pulpwood in 1925 and only 8 per cent. of the wood went across the line and the other 92 per cent. was manufactured into paper in Canada.

Montreal Rouyn Mines

A property with genuine possibilities, lying directly between the Laval-Quebec and Amulet "C", and adjacent to the Noranda.

A consistent development campaign has been pursued since 1923, and excellent results obtained.

The Swedish American Prospecting Corp. are now engaged in making an electrical survey of the property and the results will probably be available in two weeks.

The stock is listed on the Montreal Curb Market and the Montreal Mining Exchange and may be purchased through any member of either exchange.

We believe the stock to be an excellent speculation at present prices and recommend its immediate purchase.

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Flux for Noranda's Smelter Carries $4.80 Gold Content

Company Has Large Body Opened Up on Third Level Which Will Take Care of Needs for an Extended Period — May Improve

Flux is a very necessary ingredient in the operation of a smelter. Noranda is not facing any problem in this regard and in fact may be said to be ideally situated. One large body of rhyolite, which is found associated with chalcopyrite, has been opened up in the mine. It promises to be a tremendous body, judging by the extent of it as known so far, yet it may develop to be a profitable body. It will depend somewhat on costs. Anyway it is sufficiently high in silica and carries a gold content that is going to pay all the charges of handling it to the smelter. It has been carefully assayed and it is estimated that it will average $4.80 in gold. It may do better than that when developed on deeper levels.

In addition to this there is the attractive gold vein, narrow as it is where opened up, and this will make ideal flux also. The vein is composed of quartz stringers, separated by narrow diabase bands and it carries quite an attractive gold content for its whole length and where it passes out of the crosscut, it is quite rich with fine showings of free gold.

Laurier Mines Will Have Largest Acreage of Any in Quebec

Laurier Mines, Ltd., is announced this week in the current Canada Gazette. It is capitalized at five million no-par shares. The company has lined up 47 promising groups of claims in the Rouyn field and will have a total of over 20,000 acres. A great deal of this property was staked or optioned shortly after the sale of the Horne property to Noranada interests and before the real "rush to Rouyn" had started. At the time the deals were made, the sponsors of the Laurier Mines, Ltd., had every opportunity of making a careful selection and of getting the desired claims on the most favorable terms.

Though announcement of the directorate has not yet been made, the Laurier Finance Corporation, Ltd., handling the fiscal affairs of the new company, stated to-day that the directorate will be international and will include names of men prominent in financial affairs in New York, Chicago, Ottawa, Montreal, Toronto and other places. No offering of shares has yet been made.

Harker Shareholders Are Asked to Aid Operation

Plans for financing Harker Gold Mines, Lightning River, are going ahead. Jack Hammell is in New York, having a holiday after his strenuous work on Howey financing, but is also giving some attention to getting the Harker going. It is understood that the proposal is that the old shareholders accept three shares for five old. In other words that they aid the financing by turning back two shares out of each five held to the company. The Harker has been opened to below 750 ft. with considerable lateral work and is said to be in an attractive position.

Scenery Beautiful in North

The above picture of a lake in Clericy Tp., Rouyn area, is only one of many beautiful scenes. The picture on page 39 is another example, while the winter scene on page 40 is also attractive.

MINING STOCK QUOTATIONS

Week Ending February 8

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close Feb. 8	Sales for wk.	Range, 1925 High	Range, 1925 Low	Range, 1926-7 High	Range, 1926-7 Low
Aconda	.	...	...	34	29	31	47000	..	..	45	28½
Amulet	1	...	...	1.82	1.51	1.57	136150	1.50	.85	2.98	.90
Algonquin	1	...	...	2⅞	2½	2⅝	11900	3	1	6¼	1¼
Apex	1	...	...	2¾	2	2⅝	11500	3¾	2	6	2
Area	1	...	...	72	54	57	271100	..	..	1.95	.21
Argo. Con.	1	...	...	48¼	40	44	282410	48	11	67	18½
Atlas	1	...	...	3	2½	3	24000	5¼	¼	5	1⅝
Abana	1	...	...	25	23	25	3300	..	..	25	20
Amos	.	...	...	46	41¼	41⅞	32900	..	..	56	40
Baldwin	1	...	...	3	2⅞	3	37100	7	1⅞	6⅞	1
Barry Holl.	1	...	...	86	65	66¾	539105	.50	.18	1.00	.22
Beaver	1	...	...	72	68¼	68¼	32800	57	25	99	51
Bellellen L.	1	...	...	23½	21	21	37150	..	..	23½	17
Bidgood	1	...	...	7	6	7	11000	16¼	4¼	9⅝	4½
Bourlamaque	1	...	...	1.53	1.50	1.51	40750	..	..	1.53	1.02
Buckingham	1	...	...	8	7	7¾	29500	5¾	2¼	9½	2
Boischatel	..	...	...	23	19	20	61450	..	..	27	19½
Bard M.	.	...	...	97	54	96	73800	..	..	97	50
Can. Lorrain	1	...	...	67	61	61	29100	80	22	93	51
Capitol S.	1	...	...	34	29	31	93500	38	24	48½	24
Castle Tre.	1	...	...	1.25	1.14	1.17	119737	1.60	.71	1.85	.91
Chaput H.	1	...	...	6	5	5	15000	10	4	22	3⅛
Clifton	1	...	...	1½	1½	1½	500	26	2	6½	1
Coniagas	5	...	...	4.25	4.05	4.10	1600	5.00	1.25	4.80	300
Coniaurum	5	...	...	3.50	3.18	3.50	1560	4.00	1.00	4.45	3.00
Col. Kirk.	1	...	...	2¾	2¼	2½	35500	10½	2	25	2
Cons. Smelter	25	10	4.03	251	247	247⅞	2357	183½	48½	265	177½
C. W. Dome	1	...	...	19	15½	16½	244650	25	10½	29½	13¾
Crown Res.	1	...	...	10	9	9½	18497	55	15	25¼	8
Corona	1	...	...	25	21½	21½	142250	..	..	37½	20
Capital R.	.	...	...	22½	18½	21	44000	..	..	54½	18
Destor	.	...	...	43	42	42	4700	..	..	43	40
Davidson	1	...	...	3	3	3	10500	5	1¼	3	1½
Dome Mines	None	2.00	21.61	9.40	9.00	9.25	7712	18.00	12.90	20.00	8.00
Don Rouyn	1	...	...	45¼	40	40	146410	..	..	61	25
Duprey	.	...	...	....	..	..	...	..	..	10	10
Duprat	1	...	...	25	23	23	189250	..	..	35½	10
Fiske	.	...	...	14	14	14	500	..	..	15½	12
Everett	1	...	...	5½	4½	4½	10600	10	4	12¼	3¾
Goldale	1	...	...	30	20	27	61000	37	14¾	43	24
Gold Hill	1	...	...	44½	40½	43	39943	..	..	73½	25
Gold Reef.	1	...	...	1½	1½	1½	2500	2½	1	5	1
Grover Daly	.	...	...	23	20	20	95350	..	..	37	20
Hillcrest	100	6	9.67	62	62	62	110	60	60	65	55
Hill Top	1	...	...	20½	19	19	300	..	..	31¾	18
Hollinger	5	26	5.77	22.60	21.55	22.50	20708	17.50	13.30	22.65	16.65
Howey Gold	-	...	...	52	49	49½	16650	..	..	53	49
Indian	1	...	...	6	5¼	6	6000	17¾	3½	14½	3¾
Int. Nickel, c.	None	2.00	5.00	42	40½	41	6951	48⅝	24¼	46	33
Jay Copper	.	....	...	1.22	1.19	1.21	25000	..	..	1.22	.73
Keeley	1	24	14.54	1.66	1.58	1.65	39911	2.32	1.40	1.91	1.39
Keora Mines	1	...	...	13½	9	10	95050	15⅞	8½	22	7
Kirk. Hunt.	1	...	...	28	26	26½	59900	..	..	35	8½
Kirk. Lake	1	...	...	.94	.88	.88	106230	.92½	.33	1.44	.69
Lake Shore	1	40	...	18.70	18.25	18.40	11885	10.00	4.51	19.00	9.60
Lakeside	1	...	...	6	5	6	242400	15¾	2½	10	1⅛
Laval	1	...	...	40	35	39	265155	..	..	55	21
La Rose	1	...	...	12	10	12	1300	53	7½	39	4
Lorrain	1	...	...	2½	2	2¼	10000	24	7	15	2
Lorrain T. L.	1	...	...	.40	.30	.30	2000	1.34	.85	1.10	.30
Marclay	1	...	...	40	39	39¼	12560	..	..	40	30
Macassa	1	...	...	34	30¼	30¼	16800	..	..	43	25
McKinley	1	...	...	13	12	13	15600	42½	14½	26	8½
McIntyre	5	20	3.80	26.90	25.60	26.25	10922	22.70	16.00	29.75	22.70
Millcrest	1	...	...	5½	4¾	5	7200	..	..	21	3½
Mining Corp.	5	12½	...	3.50	3.30	3.35	11310	3.40	2.35	4.45	2.60
Moneta.	1	...	...	....	..	..	...	18¼	12½	18	11
Montreal Rouyn	1	...	...	28½	20	25	5300	..	..	60	13
Noranda	None	...	...	21.90	21.00	21.10	27866	15.50	9.10	24.25	12.00
Newray	1	...	...	32	32	32	300	44	17	45	30
Night Hawk	1	...	...	6	4¾	6	45600	49½	6	17	3¾
Nipissing	5	12	6.03	10.30	9.85	9.95	31521	6.80	4.60	10.30	5.00
Ophir	1	...	...	4	2	3⅛	106000	7⅞	3	4¼	1
N. Amer. Lead	.	...	...	1.93	1.88	1.90	19650	..	..	1.93	1.50
Pete Lake	1	...	...	....	..	..	...	..	..	..	..
P. L. Cobalt	1	...	...	14	9	9	17700	..	..	32	9
Porc. Crown	1	...	...	10½	9	9	77450	8	2	12	4
Pioneer	1	...	...	1.09	1.05	1.05	12450	..	..	1.22	.66
Premier Gold	1	32	14.54	2.25	1.92	2.20	26925	2.58	2.19	2.75	1.83
Preston	1	...	...	5½	4	5	14000	12	6½	9⅞	4
Osisko	.	...	...	1.00	.95	1.00	4175	..	..	1.94	.90
Rouyn	.	...	...	5⅝	3	3	16100	10	3	9	1⅞
Rouyn, Que.	.	...	...	3½	3	3½	18300	..	..	4½	1¾
Sylvanite	1	...	...	4.30	3.44	4.30	1625	..	..	4.30	2.60
South Keora	1	...	...	50	45½	49½	59341	26	20	50	5
Stadacona	1	...	...	52	50	51½	62450	..	..	55	40
Teck Hughes	1	10	1.64	6.50	6.08	6.10	99100	3.00	1.23	6.80	2.64
Timiskaming	1	...	...	....	..	..	...	30	11½	15¼	5½
Thomp. Krist	1	...	...	....	..	..	...	3	1	3½	1
Tough Oakes	1	...	...	64¼	58¼	58½	103990	61	25	65⅛	36
Towagamac	1	...	...	4.40	4.05	4.25	11150	..	..	6.10	3.15
Do., Rts.	.	...	...	17	14	14½	4729	..	..	19	14
Vic. Silver	1	...	...	13	7½	9½	519040	31	5	13	3⅛
Vickers	1	...	...	1.34	1.30	1.31	15500	.20½	.3	1.34	.13
Vipond	1	3	1.84	1.69	1.62	1.63	81278	1.61	1.01	2.08	1.49
Siscoe	.	...	...	18	18	18	1000	..	..	18	12
Potter D.	.	...	...	33	33	33	1000	..	..	36	33
Wakenda	1	...	...	....	..	..	...	3½	1	3	1
Wasapika	1	...	...	2	2	2	1000	3⅝	1	4	1
West Tree	1	...	...	3	3	3	2000	5	2	4	2
Wettlaufer	1	...	...	2½	2½	2½	2000	17	3½	10	2
Wigwam	1	...	...	4	4	4	500	..	..	32½	4
Wright Har.	1	37½	3.60	11.00	9.75	10.40	43695	7.95	4.15	11.00	7.75
Waite Mont.	.	...	...	....	..	..	...	..	..	875	840
Ajax	.	...	...	7	6½	7	8000	..	..	7	6⅛

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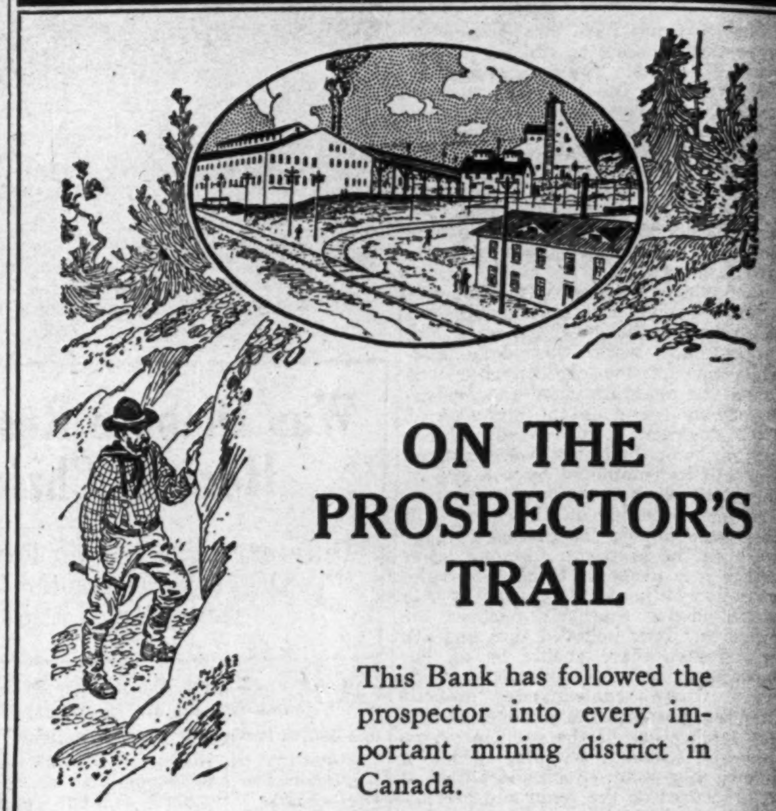

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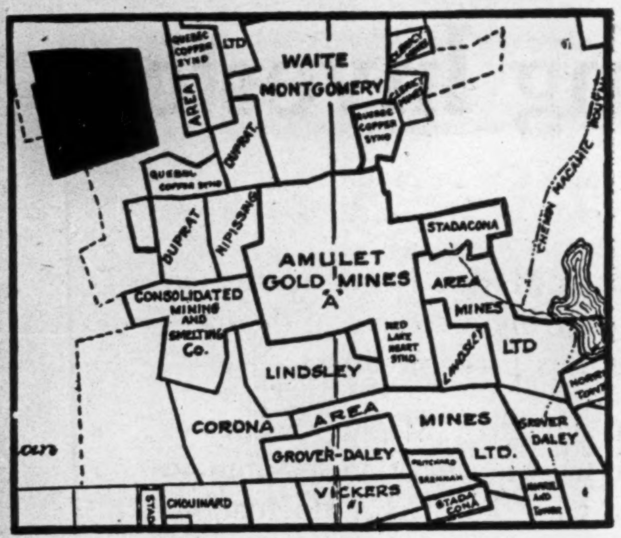
What Will Duprat Lake Shore Units Be Worth in Twelve Months?



What some investments in units of Quebec mining syndicates have done to date —

	App. Cost	App. Mkt. Price
Lake Tremoy Syndicate (original Noranda)	$100	$2,800
Noranda Syndicate	100	2,000
Quebec Prospectors	100	650
Waite-Montgomery		825
(These units represent 1-400ths of a 4% interest in Waite-Montgomery Mine)		
Duprat Lake Shore	10	20

Duprat Lake Shore Mining Syndicate owns approximately 600 acres immediately adjacent to the west of the famous Waite-Montgomery property. Work done on this property and surrounding claims combined with the report of J. C. Houston, thoroughly reliable mining engineer, has practically assured Duprat Lake Shore of a continuation of the great Waite-Montgomery main break across this property. What this means needs no further explanation. A glance at the map above will show the strategic location of our properties and the importance of the location with the main break running north-west through our claims.

In addition, on the advice of our consulting engineer we have acquired a long term option on 26 well located claims approximating 1,040 acres in Montbray township, Quebec, adjacent to Nipissing and with excellent geological formation. Some very sensational discoveries have recently been made in this district on the Nipissing group.

The total acreage of this Syndicate approximating 1,640 acres gives them ample acreage in two very important sections of Quebec. The engineering and executive ability at the head of this enterprise assures a thorough development of the mineral possibilities.

When these Syndicate units were originally offered at $12.50 we urged immediate action. Since then the price has steadily risen until to-day only a limited number are available at $20 per unit.

We again urge you to act at once. This Syndicate will stand the closest investigation, having a nominal capitalization of 25,000 units. Reservations may be telephoned or telegraphed at our expense.

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Ores of Quebec Are Complex: Will Require Difficult Treatment

Federal Ore Dressing Expert Classifies Into Three Different Types

DESCRIBES TESTS

Difficulties Are Surmountable —Says Camp Will Open Big Area

In Feb. 1925, The Financial Post published an article by W. B. Timm, chief of the Ore Testing branch of the Federal Department of Mines on the ores of Northwestern Quebec. The article was prepared specially for The Post and was based on observations of Mr. Timm and A. H. A. Robinson in the field. The Department of Mines has now issued a further report by Mr. Timm on the ores of the Rouyn area, their character and metallurgical treatment. It is a very valuable treatise on these ores, the most comprehensive yet published and is of material value to anyone interested in the area. It is published in full below.

The more recent developments in western Quebec have shown the ores of this district to be rather complex in character, requiring more extensive and more difficult metallurgical treatment than was at first expected. The first impression obtained from the initial discoveries, was that the ores of the extension of the Kirkland Lake and Porcupine belts in Quebec would be similar in character to the Kirkland Lake and Porcupine ores. Developments have since shown that although the ores along the southern margin of the belt are only slightly different, the ores of the more recent discoveries with the belt are vastly different and more complex in character, requiring a different metallurgical treatment.

Classification of Ores

From a metallurgical viewpoint the ores may be classified into the following types:

(a) Ores in which iron pyrite is the predominating sulphide. In this class of ore the pyrite is generally disseminated throughout the vein matrix and the gold values are closely associated with it. Small amounts of chalcopyrite may be present but as a rule to no great extent.

(b) Ores in which arsenopyrite is the predominating sulphide. In this class of ore the gold occurs in the fractures of the quartz and is associated to a lesser extent with the arsenopyrite. Iron pyrite may also be present.

(c) Ores in which pyrrhotite is the predominating sulphide. In this type is found a number of different minerals, depending on the degree of replacement of the pyrrhotite by chalcopyrite, pyrite, and zinc blende.

Examples and Treatment

The ores of the Arntfield group in Boischatel township and adjacent claims and those of the Huronian Belt claims in Rouyn township, may be taken as examples of the first type, namely those in which iron pyrite is the chief sulphide mineral. This type of ore should present no very difficult metallurgical problem. If the gold values are consistent in being associated with the iron pyrite it would seem that amalgamation followed by close table concentration would be the method applied to their treatment. The concentrates could be reground and cyanided or shipped to a smelter. Should these ores contain copper values, table concentration could be supplemented by flotation and the entire concentrates shipped to a smelter. Should the gold values be to some extent associated with the gangue minerals in the above process would have to be supplemented by cyanidation, providing there is remaining after concentration sufficient values to warrant this process.

The ores of the Edna Bathurst claim in Rouyn township, of the O'Brien mine in Cadillac township, of the E. J. Thompson group in Cadillac township, and of the Sisco mine in Dubuisson township, may be taken as examples of the second type in which arsenopyrite is the predominating sulphide. The gold occurs in blue quartz along the fractures, and to some extent associated with the arsenopyrite and pyrite. The recovery of values from this type of ore should not be difficult. The presence of so much free gold will make amalgamation a primary step in the process of treatment.

As examples of the third general type in which pyrrhotite is the predominating sulphide mineral, may be cited those ores which are commanding so much attention at present. These include the ores of the Horne mine, Rouyn township; the Amulet, and the Waite-Montgomery mines, Duprat-Dufresnoy township; the Alderson-MacKay and Chance groups, Boischatel township; the Abana group, Desmeloizes township; and a number of others. On some one or other of these claims may be found ores with the following characteristics:—

Heavy sulphide ores, ranging from massive pyrrhotite with little chalcopyrite to high-grade copper ore (chalcopyrite predominating over the pyrrhotite). Within this range the high gold values do not always follow the high copper values, but in many cases occur in the ores of the low or medium copper content.

Disseminated ores, where the minerals, chalcopyrite, pyrhite, and pyrrhotite, are disseminated throughout their associated gangue rock.

Heavy sulphide ores, ranging from high-grade copper ore (chalcopyrite predominating over the pyrrhotite) with little or no sphalerite to high-grade zinc ores (sphalerite predominating over the pyrrhotite) with small amounts of chalcopyrite. Here again within this range, the higher gold values do not always occur with the rich copper ores.

Disseminated ores of chalcopyrite, sphalerite and pyrrhotite, these minerals being disseminated throughout their associated gangue rock.

Present Many Problems

From the above classification of the ores of the third general type it will be seen that their treatment will present to the metallurgist many difficult problems. Almost all the orebodies or deposits vary in some respect from one another in the character of their ore, so that each will require careful study to determine its amenability to the general scheme of treatment of the ores as a whole. The general scheme of treatment for the ores of this type will no doubt embody the erection of concentrating at the various mines with a custom smelter favourably located to receive ores and concentrates.

The concentrating ores will consist of the disseminated ores of the district, and ores of the heavy sulphide sub-types, low in copper, or containing both copper and zinc values requiring the separation of the minerals. These will constitute in time the greater bulk of the ore mined, and to meet this situation the smelter will be required to take a considerable tonnage in the form of flotation concentrates.

Don Rouyn Subject of Numerous Rumors

Don Rouyn has been conducting an electrical survey on its holdings in Rouyn Tp. There have been rumors that encouraging results have been met with. Some of those associated with the financing recently paid a hurried visit to Rouyn, but no statement has been forthcoming. Because of results previously obtained and the location of the property, many expect that the survey will reveal something on the property.

Rouyn Centre New Quebec Syndicate Has Substantial Holdings

Rouyn Centre Mining Association, with 50,000 units as a capitalization, owns 580 acres and 640 acres optioned in Rouyn Tp. adjoining the Pelletier Lake group of Laval on the west. The promotion literature offers the units as a speculation to those who can afford to take the chance. It is proposed to later organize a company of $3,000,000 capitalization.

BOISCHATEL SURVEY IS NOW PROCEEDING

Employing Schlumbuger Method Which Did Good Work on Horne

Sherwin F. Kelley, who is conducting the Electrical Survey on Boischatel Mines has reported to the directors of the company that, after a slight delay, owing to extremely low temperatures prevailing for a day or two, conditions are now satisfactory and rapid progress is being made. This winter in the Quebec district there is little or no frost in the ground and moist soil is abundant. This should make an intensive electrical survey satisfactorily and quickly. One interesting feature about the method being employed is that it is possible from the readings obtained to determine fairly accurately not only the contour of any ore deposit but to a considerable extent its dip in relation to surface. This is of material importance as a guide to diamond drilling which will follow the survey.

The property on which this survey is being made shows a heavily oxidized zone containing considerable mineralization. The surface is gossanized, a very favorable indication, and indicates the presence of a very considerable body of sulphides. This zone enters low ground, considerable of which is swamp, and it is in such ground as this, considering the surrounding geology, etc., that the most favorable ore indications are expected.

Mr. Kelley by use of his method discovered the large "E" and "G" ore bodies on the Noranda Mine in 1924, a comparatively short distance from the spot where he is now working.

Montreal Rouyn Has a Survey Under Way

Montreal Rouyn, which adjoins Amulet south group and Laval, Quebec, have increased capitalization from $500,000 to $3,000,000 of which $2,500,000 remains in treasury for time being. An electrical survey by Swedish American Prospecting Corporation is under way. The directors plan diamond drilling when results of electrical survey are known. Monday of this week, they decided that only sufficient stock would be sold to cover financial requirements as needed — this stock will probably be absorbed bv present shareholders. All financing will accrue to the treasury without cost to the company.

The company recently added Joseph McDonough, one of the original owners of Amulet, Laval, Aconda Copper claims and other Quebec properties to the board. He is also a director of Aconda Copper.

CALARTIC IN MONTBRAY

Calartic Mines, with nine claims on the Montbray-Dasserat boundary, one claim west of Nipissing holdings, is going to have an electrical survey made of the group. The holdings are considered attractive from location alone. The Lucky Tiger group also adjoins Calartic.

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Group "A", Malartic Township	550 acres
Group "B", Cadillac Township	600 acres
Group "C", Rouyn Township	440 acres

southeast of Noranda and Osisko, Rouyn Township, with a total of 1,590 acres. Group "B" has a high grade gold vein which has been traced across the O'Brien, Thompson-Cadillac and Graham, showing high grade gold in several places for a distance of two miles. We believe that this company's properties offer one of the most attractive speculative possibilities in Northwestern Quebec.

Write for further information to Lang & Hughes, 316 Excelsior Life Building, Telephone Elgin 5071.

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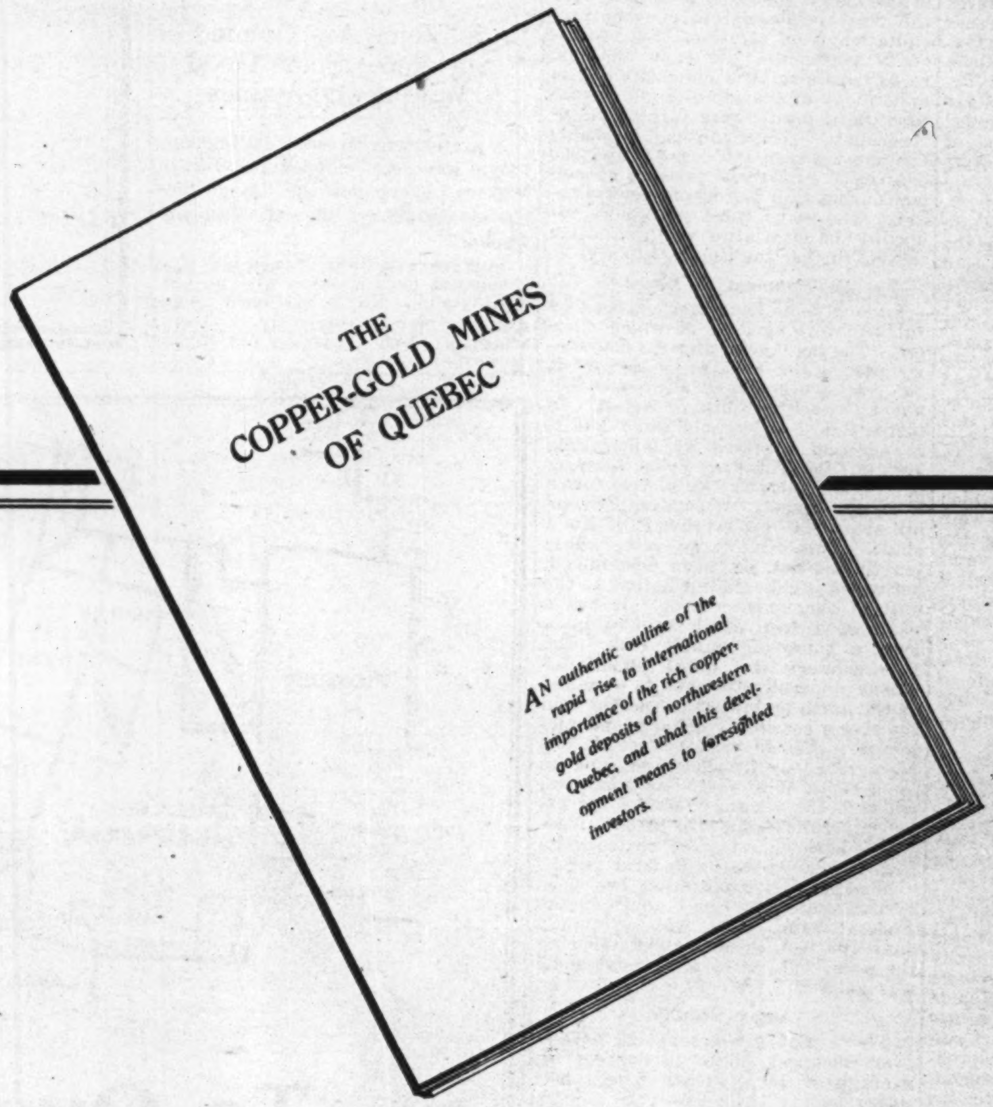
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We feel that this 16-page booklet, being an authentic outline of the hardships surrounding the early discoveries and the rapid rise to international importance of the rich copper-gold deposits of Northwestern Quebec, should be in the hands of every investor, as it treats this important subject from a human, as well as an economic standpoint in a very interesting manner.

A most up-to-date map

(21" by 23") of the entire district is also contained in this booklet, and should prove valuable.

We will be glad to supply full information on the Rouyn-Boischatel Development Co., Limited, or the Thormoor Copper Mines Limited, two properties this company is financing.

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EXCELLENT VALUES IN LEAD AND ZINC FROM GASPE PEN.

(Continued from page 20)

zinc ore both in the veins and the breccia. This mineral was found to be an hydrated silicate of aluminum carrying a small amount of magnesium. The ratios of silica to aluminum and magnesium are as follows: for 12 Si there are 8 Al and 1 Mg; the water ratio was not determined. The mineral, under the microscope, was seen to consist of low birefringent fibres. The mineral, under the microscope, was seen to consist of low birefringent fibres. The mean index of refraction is 1.566. Its physical and chemical characters are certainly a mineral of the kaolinite group carrying in addition a small quantity of magnesia.

Galena is less abundant than sphalerite, but it occurs occasionally in large masses. At one place in the roof of the north drift a band of solid galena runs for a length of 40 feet, its width at the middle being about one foot, pinching out at either end to nothing. Being less soluble than the sphalerite the galena persists in the upper parts of the veins; in some of the outcrops it occurs in the quartz, often with a reddish brown coating of iron oxide. The cleavage surfaces range from minute areas to surfaces over 2 inches across. One vug exhibits an excellent crystal of galena showing cube faces truncated by octahedron corners. Some of the larger masses of galena have a peculiar sheen, the result, apparently, of strain produced by movements after mineralization.

Associated With Quartz

The chief gangue mineral is white and amethystine quartz, of which the white is the older. The zinc and lead ore is associated with the white quartz and, apparently, was introduced about the same time. In the white quartz are vugs lined with quartz crystals. The amethystine variety occurs as veins traversing the white quartz, and narrow stringers commonly traverse masses of sulphides. In places this variety occurs in bands, and frequently has good comb structure. At one place in the Federal vein there are six of the parallel fillings, which show that at least six times the vein was closed and reopened along the wall. In some of the banded veins showing comb structure the central or younger bands consist of amethystine quartz, whereas the outer bands are of white quartz.

Dolomite is a minor gangue mineral, and a light yellow carbonate of the composition of ankerite is fairly abundant. These occur as stringers and iregular masses traversing the white quartz and were apparently deposited late in the period of mineralization. On the 250-foot level are numerous small stringers of light pink calcite. Most of these are less than an inch wide and as a rule cross the bedding of the shales at steep angles.

Some polished sections of the ore were studied. A specimen composed largely of dark sphalerite was found to contain the iron sulphides, pyrite and marcasite, of which marcasite was the younger. The latest sulphide introduced was galena, which occurs as veins traversing the other sulphides; its deposition was probably in the nature of a replacement. Though essentially belonging to one period of mineralization there seems to have been a certain order of deposition among the vein minerals, but undoubtedly the periods of deposition of all the minerals overlapped. The first period was largely occupied by the deposition of quartz. Then followwed zinc, lead, and iron sulphides, of which marcasite was the latest. Later came solutions which deposited lead, and last of all, quartz and carbonate.

Origin of the Deposits

Previous Mr. Alcock had pointed out that the mineralized area is near a granite batholith exposed at Tabletop. It is also intruded by dykes and masses of syenite and porphyry which are undoubtedly differentiates of the same granite magma. The ore deposits are believed to be genetically related to these deep-seated intrusive rocks. Siliceous, sulphide-bearing solutions from the magma in the later stages of its crystallization travelled along lines of fracture for considerable distances from their source and deposited their sulphide and silica content along these fracture-planes and in brecciated zones. The shales were the most influential in causing precipitation from solution. But, as already mentioned, the basic volcanic rocks have also been mineralized. The mineralogy of the deposits is evidence that the deposits were formed at intermediate temperatures, probably ranging between 150 degrees and 300 degrees C. Earth movements continued during this period of mineralization. The veins were repeatedly reopened and even after vein deposition ceased, further faulting took place.

Development To Date

Sixteen veins have been exposed by surface workings, all of which show ore. The main vein, and the most developed, is the Federal or No. 1. It has a known length of about 600 feet and an average width of 8 feet. In places it is considerably wider and is in addition bordered by mineralized breccia. Several other veins intersect it. The McKinlay or No. 16 vein forms a large, abrupt outcrop on Federal hill about 900 feet southwest of No. 1 shaft. This is a large vein, whose length has not yet been determined, but which is exposed in the road to the east of the main outcrop. It has a width of 60 feet, which includes, however, a horse of country rock. The vein contains the usual sphalerite-galena mineralization and is bordered on the north by breccia. Another vein showing a possibility of large amounts of ore is No. 14 or the Bois. It has been traced by trenches and sunk on for a depth of 64 feet. Its maximum width is 18 feet and it shows the usual mineralization, with the local addition, however, of more chalcopyrite than is present in the Federal vein.

Most of the exploration has been carried out from No. 1 shaft on the Federal vein. This was originally sunk 100 feet on an incline following the vein, but later, a vertical shaft was sunk 257 feet.

Assay Results

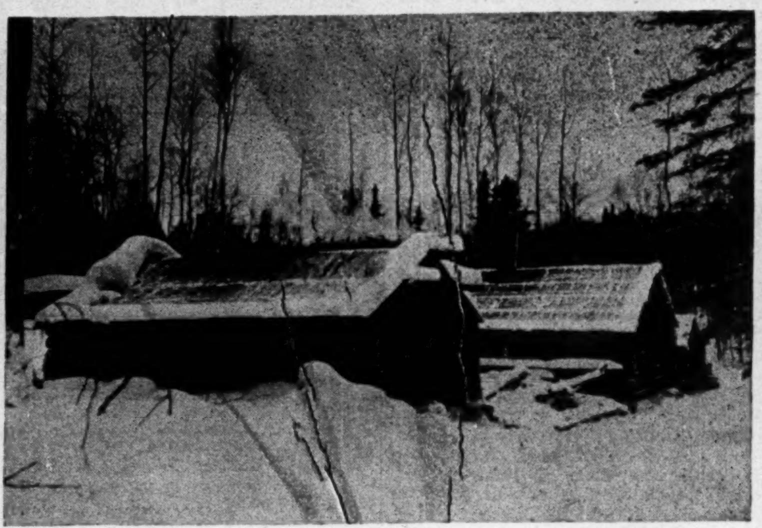
The report gives some 22 assays, over thickness 3.5 to 12 degrees, an average of 6.5 degrees. The report adds:

"A composite sample representing equal parts of material from twelve cuts across the Federal vein from the extreme south end to the northernmost point exposed shows 3.8 per cent lead and 7.9 per cent. zinc with 4.46 per cent. lime and 43.85 per cent silica. This composite sample is considered as representative since it checked up closely with the calculated average of the individual assays and it may be accepted as an average for the entire vein so far as exposed underground."

NEW BROKERAGE HOUSE

F. M. Ruggles, an ex-banker, with mining experience in B. C., and J. C. Ruse, for the past six years with Ontario government in northern Ontario, have entered the brokerage business to deal in mine shares. Mr. Ruggles has been elected a member of the Standard Exchange.

Winter on Vickers' Property



Vickers mine camps in Rouyn are of substantial nature, consisting of six buildings in all.

VICKERS TO LAUNCH DRILLING ON MAIN GROUP IN QUEBEC

Eight Veins Are Opened on Surface — Some Good Widths and Values

A pretentious diamond drilling campaign has been mapped out for the Vickers group on the Rouyn-Boischatel boundary line in Northwest Quebec.

Surface work has opened out eight important looking veins with an east-west strike. No. 2 has been opened and the more extensively. Over a width of 14-ft. it gives a $14 copper-gold content while another zone 9-ft. wide gives $11 values.

It is felt that there may be other important veins so far uncovered and it has been decided to run a long trench from the north boundary, south by east to the south boundary. Fourteen men are at this task.

The diamond drilling laid out by Chas. Spearman, M.E., and planned to cut various veins No. 1 hole will cut veins 2 and 3 on the north and No. 6 on the south; hole No. 2 will tap 3 and 5 on the north and 2 and 6 on the south.

Vickers is concentrating on this group for the present, because of its important position with Ribago with an important discovery on one side and Corona with another on the north. This area is generally referred to as the most likely in the camp.

Vickers is not operating its Boischatel group nor its important Porcupine holding adjoining Coneaurum.

Rouyn Offers Big Opportunities

We are closely in touch with conditions in the Rouyn Camp and will be glad to answer enquiries concerning the profit possibilities of the mines in this district.

In addition, "The Mining News," our market letter, will keep you confidentially posted on news from the mines and opportunities in the market.

It's published every other week and will be gladly sent you on request.

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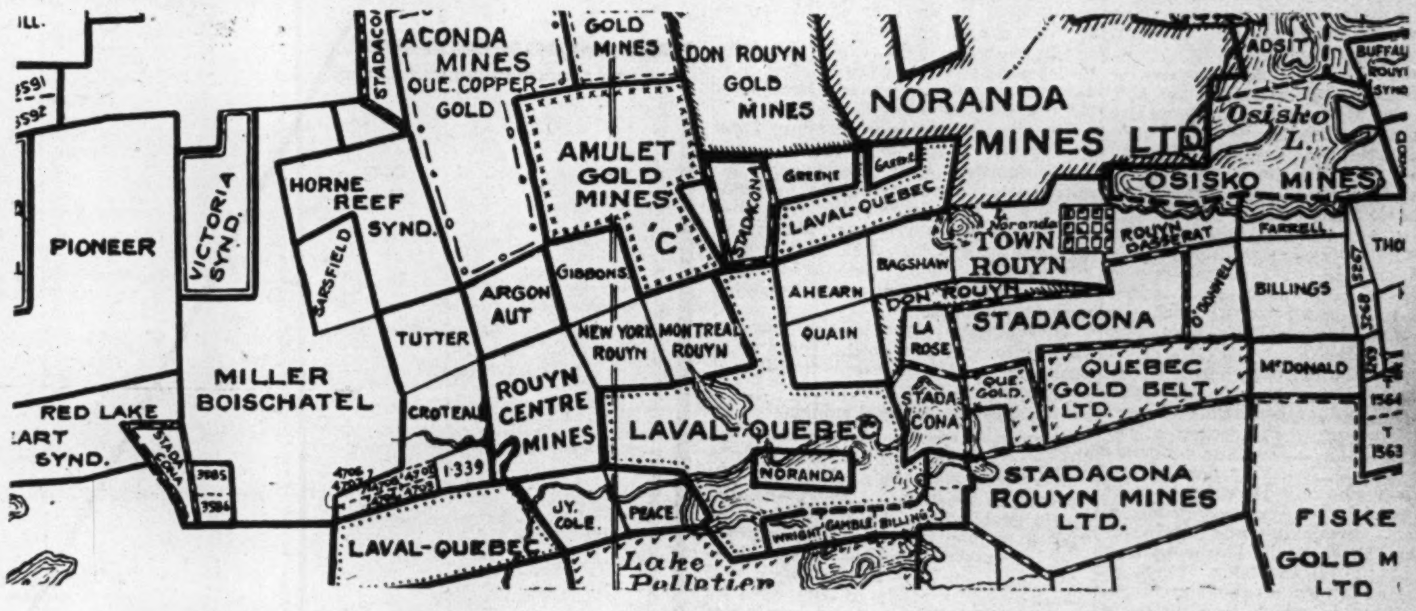

To Our Friends and Clients

WE have been fortunate in securing an option for a few days only on Ten Thousand units of the Rouyn Centre Mining Association Syndicate, and are offering a limited number of our friends and clients a chance to participate in this unusual offering at $2 per unit.

The property controlled by the Syndicate is one of the most favorable on the main strike in Rouyn and Boischatel, in a direct line with Amulet, Noranda, and adjoins on the west the Laval group on which an important discovery was reported on Tuesday of this week.

A small Syndicate such as this, capitalized at only $100,000, affords greater possibilities for profit than the usual mining company, capitalized $2,000,000 to $5,000,000. The Syndicate enjoys a great advantage over the mining company, because it is not confronted with the costly and protracted task of bringing its property to the producing stage. It merely spends sufficient money to indicate the value of the property, and if results are favorable can turn its holdings over to a large company for a substantial cash payment and a stock interest in the producing company.

The Syndicate members reap the largest and quickest profits in the mining industry. Lake Tremoy Syndicate members (original owners of the Noranda Mines) received $23,000 for the $100 invested, and those of the Howey Syndicate $10,000 in cash and $25,000 in stock for $100 invested. Quebec prospectors, a small group, staked the Nipissing claims in Montbray and turned them over at a very substantial profit.

We believe that the chances of Rouyn Centre Mining Association Syndicate are just as favorable as these instances quoted above. It would be well worth your while to take up some of these units, as a moderate outlay may bring you a substantial profit.

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Government Nurses Along Firms in Arrears in Sales Tax Payments

Enforcement of sales tax collection is in the hands of the department of customs and excise at Ottawa. It has definite regulations set down to govern its officers in the collection of sales tax. Any laxity in the enforcement of sales tax collection, discriminating between one firm and another, must be set down then either to one or other of two causes:

1. Discriminatory or uneven collection of sales tax. This might be due to inefficiency, to under-staffing of the department or to the feeling of the officials of the department that they should exercise their private judgment in collecting sales tax, just as the credit manager of a business does in determining what terms shall be extended to different creditors.

2. Lack of "teeth" in the regulations governing prompt payment of tax.

One Month to Pay

The act covering the payment of sales tax in Canada provide that each of the 60,000 licensed manufacturers in Canada collecting sales tax for the government shall make a monthly return, indicating the amount of his taxable sales. The return, together with the tax due, must be handed over to the government within one month of the close of the month covered by the statement. Thus, each manufacturer has one full month from the date of his last sale to compute the tax and make out his cheque for the government. And, as the statement covers a whole month, also it is apparent that the government, under the act, allows the manufacturer an average of about 45 days in which to pay his sales tax.

If he is a manufacturer who, by the nature of his business, is able to pass the tax along, then he has in reality received the tax from his customers on all cash sales and is merely handing over the government money received by him in his role as tax collector for the government. In fact, on cash sales he has had the use of the money for a period of about 45 days. On sales on credit, he is either advancing the money to the government or paying over money received, depending upon the term of the credit allowed on any individual sale. In any event, there is nothing in this procedure to justify the government in allowing some firms as much time as they like in paying their taxes, while hundreds of other firms pay promptly on the date set forth in the regulations.

Where the manufacturer is one, who, by the nature of his business, can not pass the tax along, but is forced to absorb most of it, then the tax ought to be charged up against his selling cost when the sale is made and having been so charged there is no reason why it should not be promptly paid.

Department Differentiates

It is understood that the department of customs and excise distinguishes to some degree between the two classes of manufacturers in enforcing payment of sales tax. Firms that pass the tax along and, therefore, receive it from their customers, are given less consideration when they get behind in their payments than are firms that absorb all or part of the tax and, therefore, are regarded by the department as not deliberately misappropriating government funds in order to carry on their business.

"It is not our desire to run any firm to the wall by pressing for sales tax payments when we find that they are in financial difficulties. We nurse along the account as any other creditor would do," said an official of the department to The Financial Post.

Laudable and reasonable as this may seem at first glance, it is hardly, to the ordinary run of business men, a satisfying explanation of the laxity in sales tax collection. Business men who pay their sales tax promptly and therefore must include it either in their sales price or their expenses, are hardly likely to be satisfied with the knowledge that the government lets other firms get in arrear and then with holds its claim for taxes that have accrued just because the firm has gotten into a tight condition. It is, in fact, such firms that should be made most promptly to pay their taxes, for it is with such firms that the danger of loss is greatest. Every such loss, obviously, represents revenue that must be made up by the government by increasing taxes on firms that do meet their taxes.

After "nursing along" an account for some months, and getting no satisfaction, what is the next step for the government to pursue? Obviously, if the business has gone bankrupt the government can only put in its claim as a preferred creditor. When the estate is wound up, it is the practice of the government to accept whatever settlement is arrived at by the preferred creditors generally. This involves in a high proportion of cases a direct loss to the treasury.

If the business is that of an individual or is a partnership, serious difficulties often arise that prevent any collection of sales tax at all. There are numerous cases coming up of small concerns running along on a shoe-string and that simply disappear. The partners, or the owner, scatter to the four winds, perhaps leave the country, and the department has to consider the sales tax, for all practical purposes, uncollectable. It can not be written off. A debt due to the government is always a debt due the crown. But that is pure theory. In practice, the money will never be collected.

If, however, the firm does not disappear, and does not go into bankruptcy but continues in business, flaunting all efforts of the department to collect the sales tax due, then action may be entered for the amount of the sales tax and any penalties. These may run from $50 to $2,000, according to the act, but how they work out in practice is doubtful. No provision is made for adding interest to the account. Legal action is taken through the ordinary courts.

It is stated that about four or five writs a week are issued for the collection of sales tax. This would amount to about 200 or more in a year. When it is considered how many firms go bankrupt owing sales tax; how many businesses just quietly disappear, and how many firms are carried on for month after month and without any action being taken against them, some idea of the proportions of the discriminatory administration of sales tax can be gained.

The discrimination is the more inexcusable when it is considered that safeguards now provided, such as power to cancel sales tax licenses, existence of a bond on each licensee and provision for penalties are apparently disregarded or little utilized.

Ottawa's Policy Aids Delinquency

Editorial from Hardware and Metal.

In some industries the burden of sales tax falls unequally because of the way in which it can be circumvented by unscrupulous individuals or firms. Then there is the fact that the government by not taking quick action against firms which are delinquent in their tax payments, is encouraging a situation which brings unfairness to firms which are prompt in making their returns of sales tax. It is known that in many cases the government has shown great reluctance to push aggressively for collection of sales tax payments. The policy of the department of customs and excise seems to have been to nurse along those firms which are slow in making sales tax returns, feeling that such firms are up against financial difficulties. While undoubtedly such a policy is preferable to the insistence upon sales tax returns, without a thought of the harm this may bring to a concern which is barely navigating, it is a question if the government has not been a little too lax. The sales tax is not in the same category as ordinary overhead expenses. A licensed firm collects sales tax for the government on its sales. It is a tax collector for the government and is not entitled to retain any monies collected in that way for other uses. A firm which failed in Ontario during the past few days owed the government $13,000 sales tax and, even though the government is a preferred creditor for this tax, it is doubtful if it will recover much of this amount. Why should such a firm be allowed to default month after month on its sales tax payments to the government while competing firms are making their returns promptly? Does it not give an undue advantage to a delinquent concern by allowing it to use governmental funds in its business? The sales tax is a good revenue producer, having brought in some $74,000,000 last year. It will undoubtedly be retained in a modified form, but business men would like to see the government place every one on a more equal basis than exists at present in respect to tax collection.

Government Extends Credit That Private Firms Refuse

The records of any liquidator in Canada will show dozens of examples of revenue lost to the Dominion government through failure to require firms to pay their sales taxes when due.

In one estate, that was recently wound up, one of the largest claims on the estate was that of the department of customs and excise for sales tax. The claim was $2,864.07. Only two larger claims were filed with the liquidator. The government's claim was nearly ten per cent. of the total liabilities of the firm. The $2,864.07 of government money which it had in its possession was a substantial portion of its apparent working capital. When the estate was finally wound up a few weeks ago, the Dominion government received $877 on account of its claim. Its loss was nearly $2,000. And yet there is evidence that this $2,000 loss was not by any means exceptional.

In another estate, which has just gotten into the hands of the liquidator, the government's claim for sales tax is $5,376.34, in addition to $434.64 apparently disputed. Next to the bank the government is the largest creditor. The next creditor claims $3,802.36 and is the firm that supplied most of the raw material used in the manufacture of the product sold by the company now in liquidation.

In other words, the government extended this firm credit that no private firm extended to it and, while it was doing this, competitive businesses, that were prompt in payment of their sales tax, were being penalized in order that this firm might continue in business on government money.

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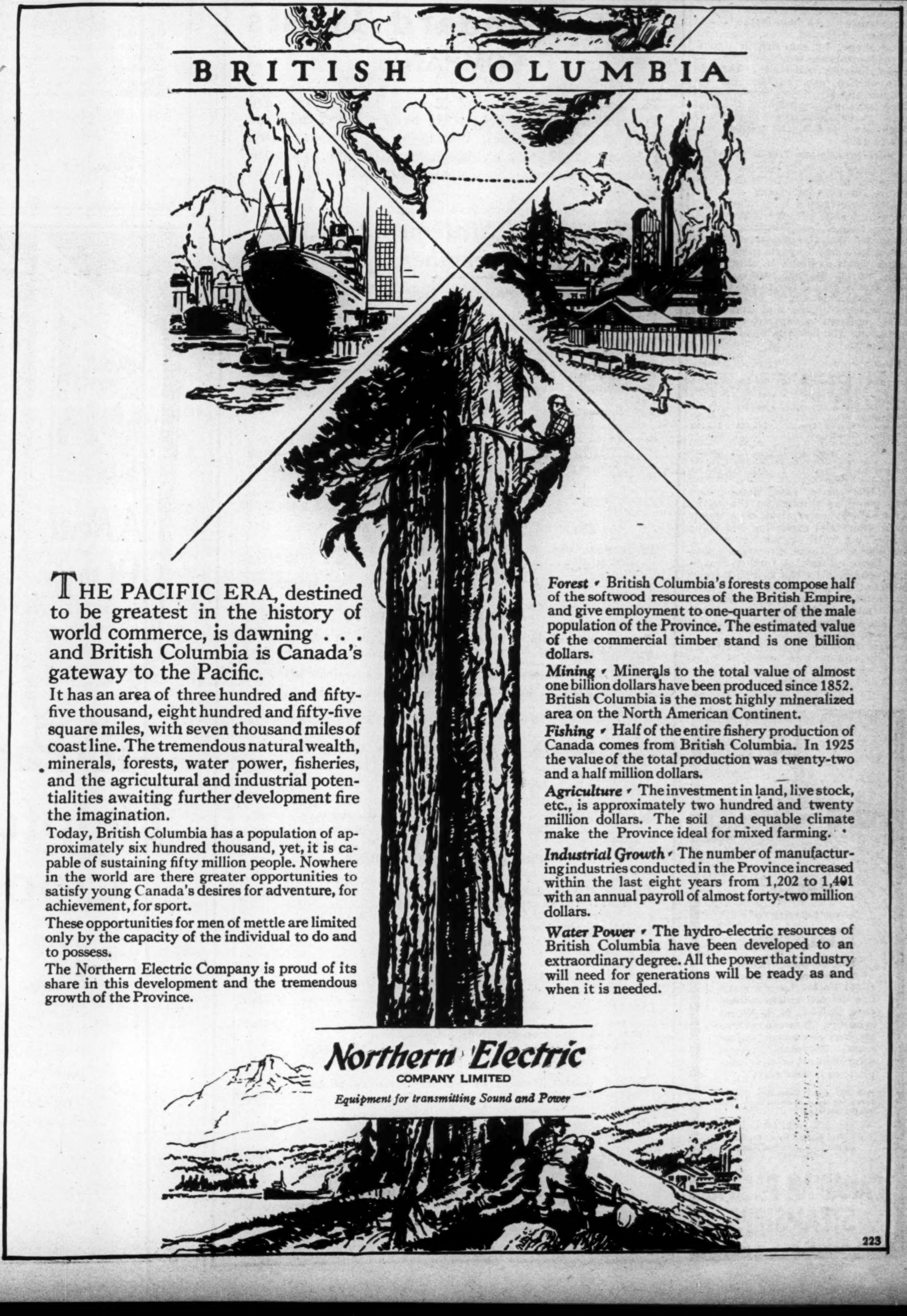

BRITISH COLUMBIA
THE PACIFIC ERA, destined to be greatest in the history of world commerce, is dawning . . . and British Columbia is Canada's gateway to the Pacific.
It has an area of three hundred and fifty-five thousand, eight hundred and fifty-five square miles, with seven thousand miles of coast line. The tremendous natural wealth, minerals, forests, water power, fisheries, and the agricultural and industrial potentialities awaiting further development fire the imagination.
Today, British Columbia has a population of approximately six hundred thousand, yet, it is capable of sustaining fifty million people. Nowhere in the world are there greater opportunities to satisfy young Canada's desires for adventure, for achievement, for sport.
These opportunities for men of mettle are limited only by the capacity of the individual to do and to possess.
The Northern Electric Company is proud of its share in this development and the tremendous growth of the Province.
Forest • British Columbia's forests compose half of the softwood resources of the British Empire, and give employment to one-quarter of the male population of the Province. The estimated value of the commercial timber stand is one billion dollars.
Mining • Minerals to the total value of almost one billion dollars have been produced since 1852. British Columbia is the most highly mineralized area on the North American Continent.
Fishing • Half of the entire fishery production of Canada comes from British Columbia. In 1925 the value of the total production was twenty-two and a half million dollars.
Agriculture • The investment in land, live stock, etc., is approximately two hundred and twenty million dollars. The soil and equable climate make the Province ideal for mixed farming.
Industrial Growth • The number of manufacturing industries conducted in the Province increased within the last eight years from 1,202 to 1,401 with an annual payroll of almost forty-two million dollars.
Water Power • The hydro-electric resources of British Columbia have been developed to an extraordinary degree. All the power that industry will need for generations will be ready as and when it is needed.
Northern Electric
COMPANY LIMITED
Equipment for transmitting Sound and Power
223

150 Investment Trusts Are Listed in British Boards

Second Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS, of A. E. Ames & Co, Toronto, Copyright, 1927.

The first investment trust set up in Great Britain, was formed in Scotland in 1860. At this time, British bonds were selling to yield three per cent., while foreign government and railway issues were yielding up to five or six per cent. The Scotch appreciated such a situation, but not caring to risk their funds in one or a few issues, they organized an "investment trust," so that risks might be spread over several or many issues. The organization did not take a corporate form. The practice followed was to appoint a few men who were experienced through their successful management of large estates to act as trustees. To these trustees capital was intrusted; the contributors sharing pro rata in the income.

In 1863, The London Financial Association and the International Financial Society were organized. Both of these trusts made direct loans to railroads, receiving in return their securities as collateral. Many of these securities, however, proved to be unmarketable and many finally became worthless.

One Trust 62 Years Old

In 1865, the Foreign and Colonial Trust was formed and embodied, in its relations, the best methods of operation evolved to that time. It is of considerable interest to note that so well was the foundation laid that this trust is still operating successfully, the latest available report being for the year 1924-25.

Down to 1879 all trust organizations were formed as unregistered common law "trusts," from which fact they derived their name "investment trusts." As the methods and procedure followed was then declared illegal by the British courts, the organizations were converted to limited liability companies. Through these earlier organizations, the experience and technique were attained which laid the foundation for the first large growth in trust institutions which developed in the period from 1883 to 1893.

More Investment Trusts Arrive

The rates on consols had been again decreased in 1880. This caused investors, in ever-increasing numbers, to seek investments in foreign lands where high rates of interest prevailed. By this time, it was becoming widely recognized that the investment trusts were a safe way to participate in the higher yields available in other parts of the world. By 1886, twelve investment trusts were listed on the London Stock Exchange and it is estimated that perhaps double that number of other unlisted companies were in operation. The listed companies were as follows:

Name	Capitalization Preferred £	Capitalization Common £
American Investment Trust	500,000	500,000
Foreign Amer. and Gen...	750,000	750,000
Foreign & Colon. Govt.....	1,202,000	1,106,000
Globe Telegraph	1,769,000	1,771,000
Government Stock	......	500,000
Mercantile Inv. & Gen....	175,000	175,000
Municipal Trust	......	214,000
Omnium Trust	92,000	20,000
Railway Deb. Trust	......	500,000
Railway Invest. Trust	1,700,000	1,700,000
Railway Share Trust	431,000	500,000
Submarine Cable Trust ...	......	339,000

At this period, rapid development was going on throughout the world. New railway enterprises were numerous. Industrial expansion was being carried out with aggressiveness. Investments in these directions promised large returns. A further conversion operation by the British government in 1899 only served to emphasize the attractiveness of investments in the United States, Argentina, South Africa, Australia and many other parts of the world.

New investment trusts multiplied rapidly and in this period of buoyancy when easy profits seemed to be promised in connection with all ventures, the operations of the newer trusts became less and less conservative. Indeed, the operation of not a few were based on a purely speculative foundation. Many even took on promotion and underwriting as their chief functions. All kinds of abuses crept in, such as the exploitation by dishonest managers. Huge profits were sometimes distributed to organizers through founders' stocks. Questionable securities held by individual directors personally were frequently unloaded on the trusts. Sometimes investments were confined too exclusively to one class of security or sometimes were confined too exclusively to the securities of one country. With the ebb of the industrial expansion tide and following the Baring crash in 1890, many trusts found themselves loaded with unseasoned, depreciated and in many cases, worthless issues, which in part was due to their too close affiliations with their brokers, their bankers or sponsors.

House Cleaning in 90's

A thorough house cleaning took place in the early '90s. Many trusts passed out. Capitalizations of others were drastically written down. The managements were changed and the methods of many of the less conservative trusts were revolutionized. The conservative practices of the well-managed companies constituting the majority which came through this trying period received a widely recognized confirmation. This led to the final conception and adoption of those principles of investment trust development, management and methods of selection of investments which lie at the foundation of the almost uniform success of these British financial institutions since that time.

Most Active Era For Trusts

The period from 1887 to 1900 inclusive, was the most active era in the development and formation of the investment trust. No less than 36 of the outstanding companies in operation at the present time were formed in that period. The number of listed investment trusts on the stock exchanges of Great Britain to-day amounts to about 150, in addition to which there are a large number of unlisted trusts in operation. On November 5, 1926, there were listed on the London Stock Exchange about 107 investment or financial trusts, with total bond, debenture and stock issues, outstanding of £156,000,000, divided as follows:

Type of Issue	Amount	Per Cent. of Total
Total of Mortgage Debentures or Deb. Stock....	£48,479,929	31.00
Total of Pref. Stock.....	52,561,119	33.60
Total of Ordinary Stock ..	43,797,677	28.00
Miscellaneous	11,563,266	7.40
Grand total	£156,401,991	100.00

The average capitalization of these 107 companies was £1,461,700 or approximately $7,200,000.

Moirs for Toronto?

MONTREAL. — Moirs, Limited, the well-known confectionery manufacturers of Halifax, has under consideration the opening of a factory branch in Toronto. Officials of the company were there recently and looked over several available sites, as well as a few buildings that might be adapted suitably to the company's needs. It is understood that the plant proposed for Toronto will be a good size and will contain modern equipment giving an output of anywhere from 7,500 to 15,000 pounds of confections daily.

Order Newsprint Machines

From Our Own Correspondent.

MONTREAL.—The Spruce Falls Company, of Kapuskasing, Ontario, is awarding contracts for equipment for its new plant. Construction has begun on the site and the installation of machinery will begin within the next eight or ten months. An order has been placed with the Dominion Engineering Works for four newsprint machines with an output of 125 to 150 tons per day each. The Spruce Falls Company is a subsidiary of the New York Times.

Union Trust Company

LIMITED

HEAD OFFICE AND SAFE DEPOSIT VAULTS
Richmond and Victoria Streets, - TORONTO

BOARD OF DIRECTORS:

HENRY F. GOODERHAM, President — *J. H. McCONNELL, M.D., Vice-President*
MARK BREDIN — *WALTER C. LAIDLAW* — *M. ROSS GOODERHAM*
S. R. PARSONS — *J. B. LAIDLAW* — *A. P. TAYLOR* — *W. HARLAND SMITH* — *H. H. BECK*

Twenty-sixth Financial Statement being for the Year Ended December 31st, 1926

CAPITAL ACCOUNT

Assets		Liabilities		
Mortgages, and sale agreements	$1,051,733.81	Capital Stock, fully paid		$1,000,000.00
Bonds and Stocks	156,072.81	Reserve Fund:		
Loans on Collateral	49,656.36	Balance Jan. 1st, 1926	$500,000.00	
Real Estate	220,326.36	Transferred from Profit & Loss Account	75,000.00	
Other Assets	232,031.70	Transferred from Contingent Reserve	25,000.00	
Cash on Hand and in Banks	73,196.15			600,000.00
		Dividend Payable Jan. 3rd, 1927		17,500.00
		Taxes and Other Liabilities		41,950.03
		Profit and Loss		123,567.16
	$1,783,017.19			$1,783,017.19

GUARANTEED TRUST ACCOUNT

Mortgages on Real Estate	$3,836,495.65	Trust Funds for Investment	$3,123,599.15
Victory, Municipal and other Bonds	456,634.70	Trust Deposits	1,390,163.36
Loans on Collateral	92,563.43	Capital Account	161,038.83
Cash on hand and in Banks	289,107.56		
	$4,674,801.34		$4,674,801.34

ESTATES, TRUSTS AND AGENCIES ACCOUNT

Funds and Investments	$ 7,831,324.87	Estates, Trusts and Agencies	$ 7,831,324.87
TOTAL	$14,289,143.40	TOTAL	$14,289,143.40

PROFIT AND LOSS ACCOUNT

Quarterly Dividends	$ 70,000.00	Balance brought forward December 31st, 1925	$ 167,485.32
Written Off Safe Deposit Vaults	4,740.00	Profits for 1926, after providing for cost of management, Directors' and Auditors' fees	120,039.12
Taxes and Fees, Dominion, Provincial and Municipal	14,217.28		
Transferred to Reserve Fund	75,000.00		
Balance forward	123,567.16		
	$ 287,524.44		$ 287,524.44

C. D. HENDERSON, General Manager.

A. B. Brodie, C.A. and D. McK. McClelland, F.C.A., of the firm of Price, Waterhouse & Co., Auditors.

The Standard Trusts COMPANY

The twenty-fourth Annual Meeting of The Standard Trusts Company was held at the head office of the Company, 346 Main Street, Winnipeg, on Thursday, 10th February, 1927, at 3 o'clock in the afternoon, when the following Financial Statements were submitted to the shareholders:

Financial Statements as at 31st December, 1926

COMPANY ASSETS

Funds in Bank and on Hand	$ 45,421.08
Government Bonds—$153,313.33 at Cost	149,969.87
Mortgages and Agreements Receivable	1,057,886.40
Advances to Estates under Administration	350,146.71
Office Premises—Winnipeg and Saskatoon	246,565.78
City Apartment Blocks (Net)	181,075.01
Real Estate on Hand	271,923.54
Loans on the Security of Stocks, Bonds, etc.	107,416.17
Miscellaneous	14,582.83
	$ 2,424,987.39

Note:—Of the above Assets, Government Bonds and Mortgages, and Agreements Receivable, have been earmarked as Collateral Security for Clients Guaranteed Moneys to the extent of $632,298.32 and for Balances due to Estates, Trusts and Agency to the extent of $520,381.65.

ESTATES, TRUSTS AND AGENCY ACCOUNTS

Investments and Assets held for Realization and Distribution	10,807,348.10
	$13,232,335.49

COMPANY LIABILITIES

Balances due to Estates, Trusts and Agency	$ 505,186.55
Clients Guaranteed Moneys	620,884.45
Miscellaneous	6,290.02
Capital Stock Subscribed and Fully Paid	1,000,000.00
General Reserve	250,000.00
Profit and Loss Account	42,626.37
	$ 2,424,987.39

ESTATES, TRUSTS AND AGENCY ACCOUNTS

Estates, Trusts and Agency Account	10,807,348.10
	$13,232,335.49

MANLIUS BULL,
President.

WM. HARVEY,
Managing Director.

PROFIT AND LOSS ACCOUNT

For Year Ending 31st December, 1926

Balance 31st December, 1925			$52,551.65
Add: Revenues derived from the Company's operations during the year		$147,979.38	
Deduct: Expenses of Management, Directors' Fees, Commissions, etc.	$95,280.86		
Dominion and Provincial Taxes	12,623.80		
		107,904.66	
			40,074.72
			$92,626.37
From which has been deducted: Amount transferred to General Reserve as per resolution of the Board (making Rest Fund $250,000.00)			50,000.00
Amount carried forward in Balance Sheet as at 31st December, 1926			$42,626.37

Messrs. John Scott & Co., C.A., were re-appointed Auditors for the ensuing year.

The following gentlemen were elected Directors for the year 1927:—Messrs. Manlius Bull, W. H. Carter, John A. Girvin, William Harvey, W. A. Matheson, John Persse, Dr. E. S. Popham, and C. D. Stovel.

At a subsequent meeting of Directors Mr. Manlius Bull was re-elected President, Mr. William Harvey and Dr. E. S. Popham, Vice-Presidents, Mr. Wm. Harvey, Managing Director, and Mr. M. W. L. Murray, Secretary-Treasurer.

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your journey to
Europe

Fast dropping below the end of your Canadian Pacific Liner's wake lies the convenient winter port, St. John, N.B. Ahead is Europe. Between the two are days of constant enjoyment, luxurious service, utter comfort in an atmosphere of perfect safety.

Ask the local Canadian Pacific agent for regular sailing dates and full particulars or

J. E. PARKER
General Agent Ocean Traffic,
Canadian Pacific Building,
Toronto

CANADIAN PACIFIC STEAMSHIPS

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48 Pages of Helpful Advice about Good Home Building

BEFORE you buy, build or alter, you should read "A Real Home". It contains information on every problem of home building, from financing to the choice of materials.

Throughout the Book are numerous coloured pictures of good homes by leading architects. Its information will help you in making your plans and discussing them with architects and builders.

You'll enjoy this Book. Write us and we will send it without charge or obligation.

COPPER & BRASS
RESEARCH ASSOCIATION
67 Yonge Street, Toronto 2

101

RECEIVERS WILL NOT CLOSE DOWN SYDNEY PLANTS

National Trust Representative Indicates Plant to be Kept Busy

From Our Own Correspondent.

SYDNEY.—Alarmist reports that have been in circulation lately to the effect that the receivers might shut down the Sydney steel mills again in the near future, are set at rest by General Manager J. H. Kelley, who says that far from contemplating any curtailment the operators hope to put the rail mill on double shift about the first of March.

"I say we hope to do so, but we cannot give any absolute assurance that operations will be quickened on that date. As a matter of fact we hoped to be able to go on double shift the first of February, but business developments did not warrant it."

Referring specifically to the report of an impending shut-down, Mr. Kelley said:

"There is no fear of that."

The feeling of confidence that has been growing in the coal and steel centres of the island has been given another boost by the recent visit of J. M. Macdonnell, of the National Trust, official receivers for the Dominion Iron and Steel Company.

Addresses Plant Council

While here, Mr. Macdonnell took the opportunity to address a meeting of the Plant Council, consisting of about 25 elected representatives of the employees of the steel plant.

He reviewed the business of the past year, or of that part of 1926 that the plant was under National Trust control, and pointed out that while wage disbursements were $326,000 in excess of those of the year before, not a cent had been paid on interest or dividends.

He expressed the hope that 1927 would see some improvement in all these respects. He thanked the men for their splendid co-operation and said that when, with their aid, the plant is once more on its feet the employees' pay envelopes will not be forgotten.

Now 2,300 Men on Roll

At present there are 2,300 men on the payroll but not all of these are getting full time. The company is still rolling for the C.N.R. and when this business is complete will begin a 15,000 ton rail order for the Newfoundland government railways.

Due to the phenomenally open winter, Sydney harbor is still free from ice, and coal and steel are being shipped every day from International piers.

OPEN IN NEW YORK

A. D. Watts & Company to Help Distribute Canadian Securities There.

Major A. D. Watts, member of the Montreal Stock Exchange and Montreal Curb Market, announces that he is opening an office at 1 Wall St., to execute orders by private wire on the Montreal, Toronto and Standard Stock and Mining Exchanges. His house, A. D. Watts & Co., whose head office is in the Royal Bank Building, Toronto, also has an office at 25 King William St., London.

Major Watts is a graduate of the Royal Military College of Canada and a specialist in hydro electric power development. He has been associated with the Montreal Light, Heat & Power Co., Shawinigan Water & Power Co., Pennsylvania Water & Power Co., and Mexican Northern Power Co., etc.

Early in the war he helped to raise and train a battalion of infantry and went to France as chief engineer of the Seventh Battalion Canadian Railway troops, building many miles of railway in the Ypres salient. After the war he joined F. N. Pickett as general manager in charge of breaking down surplus ammunition for the British, French and Belgian Governments. They operated twelve factories, employed nearly 5,000 men and handled more than 300,000 tons of filled ammunition. The turnover in three years was more than $30,000,000, mostly borrowed from London bankers.

New Orleans and the Beautiful Mississippi Gulf Coast

BILOXI • GULFPORT • PASS CHRISTIAN

Golfing in sunshine every day. Fishing, hunting, horse riding, yachting—all year round in a spring-like climate. Accommodations to suit everyone. Hotels—palatial or quiet and unpretentious—boarding houses, cottages.

Excellent opportunities for home or investment

21 Hours from Chicago

Panama Limited

The last word in elegance and luxury—leave Chicago 12:30 p. m., arrive New Orleans 9:30 a. m., Gulfport 9:50 a. m., Biloxi 10:30 a. m., Pass Christian 10:30 a. m. Not a day lost from business or pleasure. Extra fare. Two other fine all-steel trains daily to New Orleans leave Chicago 9:00 a. m. and 6:15 p. m.

Ninth Mid-Winter Vacation party to Mardi Gras at New Orleans—direct or via the beautiful Mississippi Gulf Coast—leaves Chicago, February 26, six days, only $95, all expense, from Chicago.

Mardi Gras at Biloxi, March 1. Two mammoth parades with Sieur D'Iberville in historic setting.

Delightful cruises on the enchanting Caribbean from New Orleans.

H. H. Hays, Canadian Agent
Illinois Central Railroad
310 Dominion Bank Bldg., Toronto, Ontario

Send me, without cost, complete information and illustrated literature indicated.

☐ New Orleans Book ☐ Mississippi Gulf Coast Book
☐ Mardi Gras Circular ☐ Caribbean Cruise Circular

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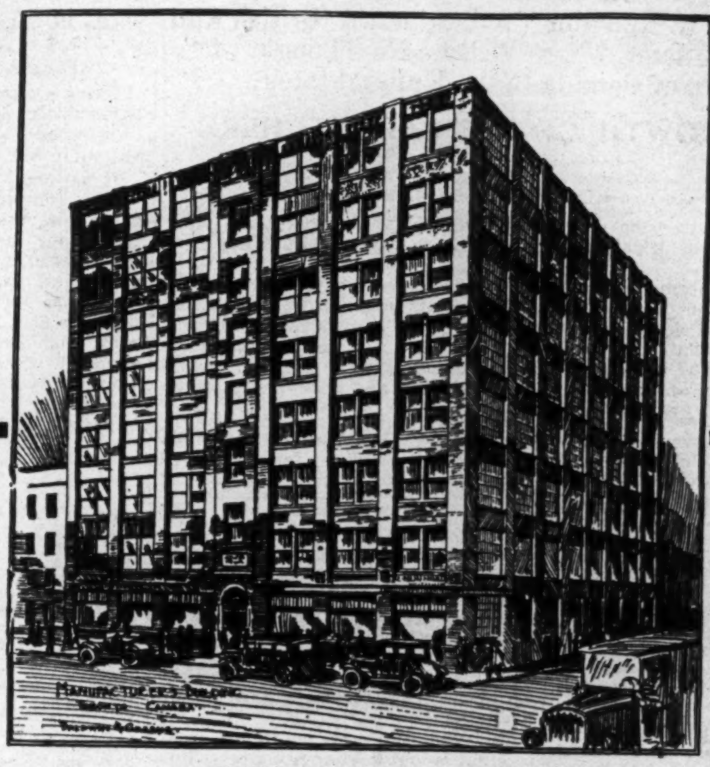
Illinois Central
THE ROAD OF TRAVEL LUXURY



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ADELAIDE AND WIDMER STREETS, TORONTO.

An eight-story loft building of solid brick mill construction, suitable for manufacturers' agents and others, five minutes' walk from the Union Station.

SECURITY FOR AN ISSUE OF
$144,000.00
7%

UNITED BONDS
First Mortgage Real Estate
Serial Gold
GUARANTEED

The present demand for this type of building in Toronto is evidenced by the fact that before the foundation was completed the owner had a request for five entire floors of space in it.

The estimated net annual earnings of building are $28,800, or nearly three times the greatest annual interest charge. The bond issue is for less than 50% of an independent appraisal, and for less than 60% of our own highly conservative appraisal.

This advantageously-situated, substantial building, of a type greatly needed, forms a security of unsurpassed excellence, and affords an investment opportunity of unusual merit.

Send in the coupon for circular giving full description of the property and details of bond issue. This will place you under no obligation.

UNITED BOND CO., LIMITED

HOWARD C. WADE, President.
WM. BROWN, Vice-President and Managing Director.
WINDSOR. TORONTO.

UNITED BOND COMPANY, LIMITED,
Department 10,
297 Bay Street, Toronto:

Gentlemen,—Without obligation on my part, send me descriptive circular of the Manufacturers' Building bond issue.

Name ....

Address ....

Return of the Chartered Banks of the Dominion of Canada, December 31st, 1926

Made to the Minister of-Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due. to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	44,846,556	6,754,972	....	4,070,462	165,662,412	390,070,196	93,016,061	2,720,146	1,422,597	5,667,558	489,516	12,913,385	839,924	38,093	29,916,700	29,916,700	788,345,285	31,175,000	12	933,651	29,398,254	52,301,264	48,229,086
Nova Scotia	14,981,152	2,206,651	....	337,770	35,069,336	120,548,431	32,220,052	1,868,971	140,098	964,091	1,269,719	6,328,068	225,876	402,476	19,500,000	10,000,000	246,062,696	15,000,000	16	1,285,231	9,151,452	13,300,630	16,176,158
Toronto	8,099,638	103,303	....	115,730	31,930,016	56,870,050	....	912,306	312,479	1,380,065	928,283	1,545,769	281,650	3,524	7,000,000	5,000,000	114,482,818	10,000,000	12	808,781	515,122	6,015,422	8,867,050
Provinciale	4,233,873	104,625	....	242,797	5,775,056	31,556,512	....	....	....	12,468	....	5,850	44,444	7,813	1,500,000	4,000,000	47,483,439	5,000,000	9	....	177,461	272,126	4,365,438
Commerce	27,816,536	2,115,501	....	3,419,902	122,112,413	228,066,245	45,557,517	849,873	2,319,275	13,723,944	1,184,552	13,396,859	....	20,182	20,000,000	20,000,000	500,582,804	25,000,000	12	4,719,736	19,811,000	21,787,000	30,572,313
Royal	38,270,368	2,099,903	10,000,000	4,111,484	140,765,312	279,351,419	159,296,768	1,369,751	2,675,292	18,439,017	4,960,643	34,992,128	40,666	58,600	24,400,000	24,400,000	745,231,357	30,000,000	12	2,511,199	11,368,708	18,362,685	41,639,574
Dominion	7,455,572	672,706	....	218,670	31,458,828	63,540,108	2,970,266	1,738,098	196,796	1,064,433	104,652	3,397,021	690,611	240,537	7,000,000	6,000,000	126,748,303	10,000,000	12	395,713	2,136,000	6,711,000	8,075,339
Standard	6,349,395	176,359	1,500,000	187,715	22,142,983	50,060,363	....	1,106,486	421,295	814,395	....	313,572	147,081	1,304	2,900,000	4,823,400	90,944,353	5,000,000	12	133,030	540,296	3,407,253	6,874,755
Nationale	12,101,854	521,150	....	1,165,538	21,111,532	84,666,922	1,397,377	8,878	163,531	582,479	....	837,300	....	4,935	5,500,000	5,500,000	133,561,501	10,000,000	10	313,835	822,545	3,613,533	12,325,424
Imperial	10,089,640	817,437	....	1,840,928	30,584,892	65,442,587	....	1,138,690	33,157	284,271	....	826,116	....	1,506	7,500,000	7,000,000	125,559,227	10,000,000	12	325,159	961,630	6,299,804	11,121,753
Weyburn Security	838,740	60,537	....	53,558	2,277 206	2 590 652	....	....	....	21,843	....	....	21,829	13,114	225,000	524,560	6,627,042	1,000,000	5	86,879	24,260	56,902	1,046,232
Total	175 083,324	15,633,144	11,500,000	15,764,554	608,889,986	1,372,763,485	334,458,041	11,713,199	7,684,520	42,954,564	8,937,365	74,556,068	2,292,081	792,084	125,441,700	117,164,660	2,925,628,825	152,175,000	......	11,513,214	64,906,728	132,127,619	189,293,122

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	28,775,348	51,188,912	3,616,729	699,456	30,511,936	98,625	23,110,699	74,664,161	27,781,810	5,347,442	15,169,966	152,788,255	241,100,251	59,805,468	26,167,223	2,485,623	797,280	1,079,798	11,800,000	12,913,385	1,420,787	18,000,000	1,502,027	531,082	791,356,275
Nova Scotia	9,117,818	18,890,348	990,685	1,750,775	11,223,626	....	3,482,096	31,463,978	10,293,500	12,491,890	19,380,733	11,308,375	71,667,139	19,798,288	4,495,579	373,342	40,923	96,835	7,175,201	6,328,068	488,026	6,000,000	....	148,310	247,005,544
Toronto	418,411	5,291,210	564,250	88,811	6,085,795	....	3,162,723	19,208,407	3,823,351	3,598,232	8,839,534	1,250,000	50,585,202	....	2,989,569	155,872	....	211,324	3,331,094	1,545,769	256,775	4,055,866	....	....	115,462,204
Provinciale	170,002	244,873	560,755	56,364	2,276,257	2,803,508	255,379	4,833,071	1,331,063	3,781,503	10,954,945	....	15,770,368	....	1,835,411	138,080	455,709	116,266	1,833,478	5,850	158,400	....	....	214,291	47,795,580
Commerce	12,721,222	14,763,204	2,345,590	1,209,074	19,465,485	988	15,274,690	46,730,433	25,758,359	9,144,174	25,407,524	38,516,721	188,992,048	32,378,764	26,021,657	1,858,349	2,146,938	911,038	11,678,782	13,396,859	1,000,000	11,000,000	1,794,190	338,830	502,854,931
Royal†	16,742,670	24,665,398	3,952,608	21,622,122	27,944,265	514	23,477,306	63,135,236	26,718,122	17,563,806	31,716,526	60,404,856	192,030,958	154,927,135	6,719,020	2,548,369	2,102,191	1,342,576	14,482,225	34,992,128	1,245,000	16,000,000	2,124,070	532,390	746,989,504
Dominion	2,126,813	9,161,472	886,300	121,030	7,998,834	34	2,806,674	15,378,393	4,808,942	2,751,928	9,044,765	3,429,153	55,703,475	1,000,255	1,028,118	267,870	36,754	38,889	5,724,241	3,397,021	314,650	1,500,000	....	255,237	127,780,858
Standard	545,642	3,331,193	491,068	60,354	5,331,126	....	936,160	11,683,480	2,950,726	2,873,548	14,364,075	....	40,809,981	....	2,005,498	511,766	323,182	260,[illegible]	3,731,307	313,572	250,000	1,400,000	....	107,570	92,280,798
Nationale°	869,694	2,909,814	1,431,515	211,181	5,301,304	644,048	997,010	20,706,001	11,046,229	1,402,405	6,351,161	....	56,884,326	1,347,070	8,161,843	191,224	1,228,534	981,829	5,488,885	837,300	281,035	6,500,000	....	322,930	134,195,348
Imperial	978,752	7,236,125	813,200	160,551	7,698,022	1,058,446	1,974,725	15,281,457	5,728,410	73,885	9,717,265	4,600,000	54,604,769	....	5,620,092	346,926	598,412	591,025	4,931,956	826,116	332,730	4,004,466	....	342,413	127,519,755
Weyburn Security	23,877	52,405	21,520	1,060	66,558	1,581,869	61,660	931,461	9,314	324,291	....	300,000	1,905,078	301,331	4,968	42,764	177,866	134,256	249,615	....	27,532	350,000	....	92,567	6,660,001
Total	72,490,249	137,734,954	15,674,220	25,980,778	123,903,208	6,188,032	75,539,122	304,016,078	120,249,826	59,353,104	150,946,494	272,597,360	970,053,595	269,558,311	85,148,978	8,920,185	7,907,789	5,764,377	70,426,784	74,556,068	5,774,935	68,810,332	5,420,287	2,885,620	2,939,900,798

**Of this deposit, $26,910,838 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

°The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, JANUARY 31, 1927.

Financial Interest of U.S.A. Will Not Lead to Trouble

So Long as Canada Remains Predominantly British and Empire in Character, There Will be No Thought of Annexation of Canada to the United States

IMMENSE GROWTH OF U.S. CAPITAL HERE

Address by J. W. SPEARS,
District Superintendent, Bank of Montreal, Regina, Sask.

Throughout history, wars have wrought fundamental changes in the trade and financial relations of nations and none more so than the European War of 1914-1918.

Prior to 1914 an enormous commerce was being transacted between the great producing and consuming nations, world communication was quick, and international trade had assumed a complexity never known before. It was inevitable, therefore, that the disruption of a war in which all the great powers of the world and a host of smaller countries were engaged should bring about new financial alignments, some possibly of far reaching effect.

Affected British Capital Flow

One of the major movements has affected Canada. Before the war Canada obtained the great bulk of her new capital from Great Britain, but since 1914 when war demands prevented Great Britain from continuing her role as purveyor of our financial needs, Canada has borrowed the money needed for development and refunding purposes from the United States. This change in the flow of capital is not a development that would have come wholly about in the ordinary course of events in the past twelve years. It was brought about in great degree by one of those fortuitous shifts in destiny.

While it is only possible to get approximate figures, available records would seem to show the outside capital invested in Canada in 1914 to be as follows:

British	$1,860,000,000
United States	417,000,000
Other	140,000,000
	$2,417,000,000

To show how widely estimates vary, an authoritative source gives the undernoted figures as representing outside capital in Canada in 1914:

British	$2,700,000,000
United States	750,000,000
Other	150,000,000
	$3,600,000,000

Use Financial Post Figures

The first estimate will be used in this paper as the estimates quoted hereafter for later years have been compiled from the source of the first figures, largely The Financial Post of Toronto.

At that time the total overseas investments of Great Britain were estimated to be $20,000,000,000.

The necessity for mobilizing all available capital for war purposes from 1914-1918 and the prevalence of a heavy premium on dollar exchange from 1915-1925 prevented Britishers from investing more than a relatively small amount of capital in Canada during the decade. Not only did the former stream of capital from Britain to Canada shrink to small proportions but the exigencies of the war compelled her to sell a large total in Canadian securities. These sales, and the inducements to Canadian governments and financial institutions like mortgage companies to repay loans raised on sterling debentures, through the heavy discount on sterling, resulted in a great lessening of the supply of capital formerly provided by Great Britain.

Turned to United States

Fortunately, Canada had another market she could borrow in, and from 1914 to the present time our requirements for refunding purposes and for developing our great natural resources have been supplied by the United States.

So far as can be judged, American investments in Canada appear to have increased as follows:

1900	$ 150,000,000
1914	417,000,000
1921	1,020,000,000
1924	2,460,000,000
1925	2,825,000,000
1926	3,016,000,000

British investments in Canada show the following growth:

1914	$1,860,000,000
1923	1,995,000,000
1925	2,111,000,000

At the end of 1924 American investments abroad were estimated to be:

Canada and Nfld.	$2,460,000,000
Latin-America	4,040,000,000
Europe	1,900,000,000
Asia	690,000,000
	$9,090,000,000

The total foreign investment of the United States at the end of 1926 is estimated at $13,252,000,000. The source of this statement, Moody's Investors Service, estimates that of these holdings $3,515,000,000 was invested in Canada.

Over Quarter in Canada

The United States has invested more largely in Canada than in any other single country and in 1924 27 per cent. of her holdings in foreign securities were Canadian investments. Since 1924 there has been a further very large addition to her financial interest in Canada.

Before we consider the nature of United States investments in Canada, it will be enlightening and pertinent to a subsequent phase of the subject to recall the position of the United States as a holder of foreign securities in 1914. At that time she was a borrower on balance, and not a lender to foreign countries. The rapid development of her many and extensive natural resources and an unprecedented industrial expansion fostered by a fast-growing population with a high standard of living, had afforded steady and remunerative opportunities for both domestic and foreign capital. Her outside investments were confined very largely to Canada, Cuba and the Latin-American countries, and in the aggregate were less than European investments in the United States.

But the conflagration in Europe brought a quick change. Great Britain and her allies needed food and munitions to maintain their armies. Quick delivery rather than price was the essence of contracts and the United States accumulated a great wealth in a few years. Leaving out of count altogether $10,000,000,000 of war and post-war obligations of foreign governments to the American government, the United States has become a great creditor nation.

Our Foreign Capital Supplies

Few countries have offered such opportunities for the safe and profitable investment of capital as Canada and concomitantly few countries have drawn such large amounts of outside capital for development purposes of every description. This outside capital is estimated to aggregate $5,310,000,000—a large amount, but at 21 per cent. not out of proportion to our national wealth, variously estimated as exceeding $25,000,000,000. Some 12 per cent. of Canada's national wealth represents investments owned in the United States and eight per cent. in British holdings.

British capital in Canada, while now much less than American, has continued to come to Canada in some volume since the war and it is gratifying to find that between 1923 and 1925 new money from that source increased by $116,000,000.

At the end of 1925 outside investments in Canada are given by The Financial Post as follows:

	United States	Great Britain	Other Countries
Federal, Prov. and Mun. securities	$ 879,000,000	$ 437,000,000	$ 5,000,000
Railways	435,000,000	951,000,000	35,000,000
Industries—Forestry (inc. pulp & paper)	425,000,000	70,000,000	25,000,000
Mining	300,000,000	110,000,000	25,000,000
Fisheries	7,000,000	3,000,000	1,000,000
Pub. service (inc. electric power, street railways, hotels, construction, etc.)	200,000,000	125,000,000	20,000,000
Other industries	625,000,000	160,000,000	10,000,000
Land and mortgages	100,000,000	125,000,000	20,000,000
Bank and Insurance	45,000,000	90,000,000	12,000,000
	$3,016,000,000	$2,111,000,000	$183,000,000

"Other Industries" represent United States investments in 600/700 branch plants in Canada controlled in whole or in part by American capital.

Figures Very Impressive

These are impressive figures—more particularly when it is remembered that much American money is invested in key industries.

It is very difficult to get recent figures showing the proportions of Canadian, American and British capital in our manufacturing industries, but in 1920 it was estimated that out of a total value of $2,433,000,000 in industrial securities, Canadians held 64.8 per cent., United States 24.4 per cent. and Britain 9.6 per cent. In some of these industries the United States investment was very high, for example:

1920	Total investment in certain Canadian Industries	United States	Canada	Britain
Lumber	$1,002,399,000	17%	70%	11%
Central Electric Stations	292,448,000	14%	80%	4%
Meat Packing	188,006,000	41%	57%	..
Steel Furnaces	117,124,000	41%	58%	1%
Copper, Smelting, etc.	111,922,000	51%	13%	34%
Agricultural Implements	86,393,000	39%	50%	10%
Foundry, etc.	53,611,000	40%	49%	11%
Electrical Apparatus	52,666,000	45%	48%	10%
Rubber	49,789,000	36%	52%	4%
Drugs and Chemicals	33,171,000	52%	32%	14%
Patent Medicines	25,013,000	79%	17%	1%
Automobiles	24,498,000	69%	31%	..
Paint and Varnish	23,966,000	50%	48%	1%
Asbestos	23,308,000	30%	64%	6%
Abrasives	11,621,000	99%	1%	..
Brass and Copper	9,235,000	56%	43%	..
Petroleum	6,237,000	53%	46%	..

Britain had no control of any industry, but maintained substantial holdings in smelting and shipbuilding, also in banking, insurance and mortgage investments.

Changes Since War

Since 1920 great expansion has taken place in certain industries and the amount of American capital invested in these has increased enormously, notably pulp and paper, water power, automobile, mining and asbestos. American capital has made large profits in mines in Ontario, Quebec and British Columbia. The American holding of C.P.R. is now three times what it was fifteen years ago and now amounts to about 30 per cent.; the British interest has dropped from 65 per cent. to 40 per cent. in that time.

Some of the well-known "American" concerns are International Nickel, International Harvester, International Paper, Duke-Price Power Co., B. F. Goodrich Rubber Co., General Motors, Ford Motor, Studebaker Corporation, Singer Manufacturing Co., Montreal Locomotive Works, Canadian Consolidated Rubber, Canadian General Electric, Swift Canadian, Imperial Oil, Aluminum Company of America, the Dupont owned companies and many others, all controlled by United States capital.

U.S. Supplies Our Capital

Before the war Canada's outside capital requirements approximated $250,000,000 annually and the greater part was obtained in Great Britain; in 1910 81 per cent. of our securities were disposed of there. Subsequently our annual needs have run up to $900,000,000 in one year. In 1920 the United States supplied 67 per cent. of our needs.

According to Moody's Investors Service, United States loaned abroad in 1926 $1,906,000,000, of which Canada got 26 per cent.

Canada is quickly becoming an investing nation. In the past three years Canadians have taken 68 per cent. of government, municipal and industrial issues. In 1913 Canada held 20 per cent., and Great Britain and the United States 80 per cent. in government and municipal securities; now Canada holds 69 per cent., United States 20 per cent. and Great Britain 11 per cent.

Owing to the propinquity of Canada, Americans naturally have been much more prone than Britishers to invest in companies in which they could take an important management interest, either through entire ownership, holding a majority of stock, or a controlling interest. Before the war branches of American concerns were less than 200; it is now estimated there are between 1,000 and 1,200 branch factories. If the term "branch" is used in the narrower sense the number is probably between 600 and 700.

The great financial interest of the United States in Canadian industries has given us definite advantages. Machinery of the latest type, some of it the largest in the world, has been installed, and there has been brought into the country many skilled workers and industrial managers and engineers. We have gained in industrial technique. These advantages and influences are of exceedingly great worth and potentiality for Canada for, after all, so far as industrial progress and production go no other country has equalled the United States. The following table from the International Labor Office in Geneva proves the indisputable long lead held by the United States in real wages:

Real Wages—January-October, 1925	
Philadelphia	100
Ottawa	79
Sydney, N. S. W.	74
Copenhagen	52
London	51
Oslo	45
Amsterdam	43
Stockholm	41
Paris	32
Berlin	32
Brussels	30
Prague	30
Warsaw	26
Rome	23
Vienna	25

In productivity per person engaged in agriculture and manufacturing the United States stands far ahead of other countries and it is this that goes far in making for material prosperity. The following give the index figures of per capita agricultural productivity:

Italy	45
Hungary	60
France	90
Belgium	117
Germany	119
Great Britain	126
United States	292

It is the machine that makes for high wages and light work.

Now what are the most important

(Continued on page 45)

$21,055,841 in EIGHT MONTHS

BUILDING construction in Greater Vancouver the first eight months of 1926 amounted to $21,055,841, as against $13,224,950 in the same period last year. Figures like these indicate the solid foundation for the faith of those who are investing in Vancouver properties and industries.

Send for Investment Lists.

Ceperley, Rounsefell and Co.

Investment Bankers—Est. 1886.
846 Hastings St. W.—Vancouver.

Western Municipals

Bonds issued by municipalities give a higher interest return than issues of similar standing of eastern towns and cities.

This is due to the fact that all interest rates are higher in the West.

Investors who would increase the average earnings of their holdings will find our lists of value.

Pemberton & Son
Financial Agents
418 HOWE STREET
Vancouver, Canada

British Columbia Agents for Wood, Gundy & Co., Ltd.

$5,000,000

Lake St. John Power and Paper Company, Limited

(Quebec Company)

First Mortgage Sinking Fund 6½% 20-year Bonds
Series "A"

To be dated February 1, 1927. To be due February 1, 1947.

Principal and semi-annual interest (February 1 and August 1) payable at the holder's option, in Canadian currency, at the Imperial Bank of Canada in Toronto and Montreal, Canada, or in New York in United States gold coin of the present standard of weight and fineness, or in London in sterling at the fixed rate of $4.86⅔ to the pound. Redeemable as a whole or in part, for sinking fund or otherwise, on any interest date on 60 days' notice at 105 and accrued interest to and including February 1, 1937; at 104 and accrued interest thereafter to and including February 1, 1942, and at 103 and accrued interest thereafter and before maturity. Fully registered bonds and coupon bonds registerable as to principal only in denominations of $1,000 and $500.

Interest payable without deduction for United States Federal Normal Income Tax not in excess of 2% which the Company may be required or permitted to pay thereon or retain therefrom under any present or future laws of the United States.

Trustee: National Trust Company, Limited, Toronto.

CAPITALIZATION
(Upon completion of present financing)

	Authorized	To be Issued
First Mortgage Bonds	$15,000,000	$5,000,000
Mortgage Debentures	7,500,000	3,000,000
7% Preferred Stock ($100 par value, cumulative from July 1, 1928)	2,000,000	2,000,000
Common Stock (no par value)	100,000 shares	100,000 shares

The Trust Deed will provide that the balance of the authorized first mortgage bonds may be issued from time to time in such series, may be payable in such currencies and places, mature on such dates not earlier than February 1, 1947, bear such rates of interest, and carry such sinking fund, conversion and redemption provisions as the directors may determine at the time of issue. Such additional bonds may be issued (a) to the extent of 75% of the cost or fair value, whichever is less, of additional fixed properties and plant, including timber leaseholds, acquired by the Company; (b) to refund bonds issued under this mortgage, par for par, or (c) to the extent of 75% of the cost or fair value, whichever is less, of properties of subsidiaries which are either directly charged under the Trust Deed or are indirectly charged through the issue of securities of the subsidiary, all of such securities being specifically charged to secure these bonds; all as will be more fully set out and defined in the Trust Deed securing this issue.

From the within letter Mr. E. A. Wallberg, President of the Company, we summarize as follows:

THE COMPANY—The Lake St. John Power and Paper Company, Limited, has had in course of construction since July last, at Mistassini on the Mistassini River, near Lake St. John, Quebec, a complete pulp and newsprint paper mill, having a rated capacity of 220 tons of newsprint paper per day. It is expected that this mill will be in operation by December, 1927. The Company contemplates extending the present development from 220 tons of newsprint paper per day to 440 tons per day

The Company holds under lease from the Government of the Province of Quebec extensive timber limits on the Mistassibi and Aux Rats Rivers, north of Lake St. John. These limits cover about 1,000 square miles, and it has been conservatively estimated by two experienced timber cruisers that they contain not less than 6,000,000 cords of pulpwood, thus ensuring an adequate supply of low-cost wood for over 60 years for the mill now in course of construction. The Company is ideally situated in relation to its wood supply

The Company has a favourable power contract with Duke-Price Power Company, Limited, ample for its requirements and extending beyond the term of the bonds. It also holds under lease from the Quebec Government water-power sites on the Mistassini and Mistassibi Rivers, estimated to be capable of developing 20,000 horse-power at a low cost.

On account of its exceedingly low-cost wood and power and its thoroughly modern mill, the Company will be one of the lowest-cost paper producers in Canada.

Satisfactory assurances have been obtained as to the construction this year of a connecting railway line between Mistassini and the Canadian National Railway system, which will give the Company excellent communication with its newsprint markets.

SALE OF PAPER OUTPUT — The Company has contracted with one of the largest and financially strongest publishing interests in the United States for the sale for the term of ten years of the entire capacity output of the newsprint paper mill now under construction.

MANAGEMENT—Construction of the plant and operation of the mill will be under the supervision of the general manager of the Company, Mr. John Stadler, one of the most experienced and best-known engineers and paper manufacturers in the industry.

PURPOSE OF ISSUE—The proceeds of this issue and of the sale of debentures will be used entirely for construction of the mill, payment for properties and for working capital.

SECURITY—These bonds will be secured by a specific first charge on real and immovable property of the Lake St. John Power and Paper Company, Limited, including the mill, timber leases and power sites, and a floating charge on all other assets of the Company, now owned or hereafter acquired, all as will be more fully set out in the Trust Deed securing this issue. The Company will covenant to pay no dividends on its capital stock, which would reduce the net current assets of the Company below $800,000.

SINKING FUND—The Trust Deed will provide an annual Sinking Fund for Series "A" bonds sufficient to redeem sixty per cent. of these bonds by maturity. The first payment under this Sinking Fund is due February 1, 1931.

ASSETS—The value of net tangible assets of the Company, available for the security of these bonds upon the completion of the plant has been conservatively estimated at $13,250,000.

EARNINGS—The management estimate that the annual net earnings of the Company, based upon the present price of newsprint paper, available for interest on these bonds, depreciation and income tax will be not less than $1,350,000. Interest charges on these bonds will amount to $325,000 per annum.

PRICE: 99.50 and interest

These bonds are offered for sale, when, as and if issued and received by us and subject to the approval of all legal details by our counsel, Messrs. Blake, Lash, Anglin and Cassels, Toronto.

DOMINION SECURITIES CORPORATION
LIMITED.
Established 1901

MONTREAL OFFICE
189 St. James Street

E. R. WOOD, President
Head Office: 26 King Street East
TORONTO 2

LONDON, ENG., OFFICE
No. 6 Austin Friars

February 4, 1927.

The statements contained in this circular are not guaranteed but are based upon information which we believe to be reliable and on which we acted in purchasing these securities

Financial Interest of U.S.A. Will Not Lead to Trouble

(Cotinued from page 44)

factors contributing to the large investment of American capital in Canada?

The Canadian tariff on American goods.

The growing Canadian market.

A desire on the part or large sellers to give better service to Canadian customers.

An abundance of cheap electrical power in Canada.

The decline of raw materials, such as lumber and pulp wood, in the United States.

The British preference adopted by some of the dominions.

The pre-war legislation of the British Parliament affecting key industries. This partly contributed to the decision of the Aluminum Company of America to locate on the Saguenay involving an outlay of $100,000,000 in five years. Before granting the company valuable concessions in British Guiana the British Government stipulated for the building of a plant in a British Dominion.

A natural prejudice against buying goods manufactured out of the Empire and a growing demand that Canadian money be spent in Canada.

An ample supply of contented labor in the province of Quebec.

On Threshold of Development

Without question American capital has been of great benefit to Canada notwithstanding the large amounts taken by Americans in interest and dividends. The per capita wealth of Canadians is exceeded by few nations, and as yet we are only on the threshold of our ultimate development.

The increasing financial interest of the United States in Canada, coupled with the proximity of the two nations, has brought about a great growth in trade between the two countries. Canada is now the largest customer of the United States. United States sales to Canada have increased from 33 per cent. of total exports in 1872 to about 70 per cent. in 1923. Canada's growing purchases in the United States coincide with the increased investment of American capital in Canada. This may be a coincidence, but is more likely to be the result of trade following investment of capital. The investment of American capital in large amounts has contributed largely to Canada's external trade shifting from an unfavorable to a favorable balance in 1915.

Best Place to Get Capital

It has been said that as we are users of more capital than we can supply, it does not matter where we raise our needs. That is going too far. We want capital, but it is desirable to get it from a nation that is strong financially and experienced industrially and that knows our country, realizes its possibilities, and has faith in its destiny. As between Great Britain and the United States we lean by sentiment and traditions to the former, but if capital is not available there we are fortunate in having the United States ready and eager to invest her millions to promote our growth. There are those who deplore the apparent lack of the spirit of business venture in Canadians and who feel that as a people we are too conservative and hesitant in developing the possibilities of our country. They say it would be greatly to be preferred, and to our financial benefit, if we would invest less in government bonds, letting them be absorbed across the line, and more in the development of our rich natural resources. But this is a phase which I look to see corrected as the latent wealth of Canada becomes more generally appreciated, and as we accumulate liquid resources.

It is certain that the action of our federal government — unfortunately often forced or influenced by sectional and bloc interests—in the matters of tariff and taxation, will play a determining part in our future industrial structure. Frequent tinkering with tariffs is unsettling and the sooner the tariff question is considered solely upon industrial and economic facts the more quickly will Canadians feel disposed to sink their money in home development.

Effect of Such Investment

The relations between a borrower and a lender have been discussed from time immemorial and the opinion is often held that the borrower is the slave of the lender. When the borrowing is undertaken intelligently for constructive or investment purposes the term is wholly inapplicable. On such terms the relationship becomes more intimate and friendly.

As has been said previously, the outflow of capital from the United States was due in large measure to a fortuitous shift in her destiny. She was not a lending nation before the war, neither had she extensive worldwide interests. To a great extent, she was inexperienced in making foreign loans. But her investing public have quickly shown a willing disposition to assume the risks involved in loans to foreign governments and for railway and industrial development abroad. Her bankers have exhibited no reluctance in sponsoring foreign loans. Barring international complications capital will continue to flow outward and the limit of the flow is more likely to be the ability of the borrower to pay for the money than the ability of the United States to supply it.

Now, what are the economic and political factors that could arise to make for complications between the United States and Canada?

Complex Situations That Arrive

A wealth of experience shows that large foreign investments with their concomitant, a growing volume of international trade, bring about complex situations involving war and peace.

These conditions can be summed up:

1. Default of principal and/or interest by foreign governments,
   (a) for reasons over which a government has little control,
   (b) for wilful reasons, extravagances or the deliberate breaking of an obligation or pledge,
   (c) for outcome of dishonesty when the loan was contracted.
2. Actions of foreign government which destroy outside investments or the promulgating of discriminatory legislation.
3. Endeavors of nationals of the lending country to secure concessions or economic advantages in foreign countries.
4. Misuse of power in foreign countries by corporations of the lending country.

Matters such as these have already influenced American opinion and foreign policy.

No Thought of Complications

From the Canadian point of view I believe we can dismiss from our minds the possibility of serious complications arising between Canada and the United States on all of the aforementioned scores. The two countries have been on exceedingly close and friendly terms for many years and with enlightened public opinion on both sides of a long unfortified line, trouble is not likely to arise in political relations unless it be through tariff barriers. But we have passed through times when there have been many drastic changes in tariff policies in both the United States and Canada. Some of these changes in the United States tariff have hit Canada sorely — the Fordney tariff, for example, which practically excluded our live stock from the United States and worked a tremendous hardship on that industry in Canada—but the Canadian nation has taken matters philosophically, making no attempt to retaliate and we believe that the United States government would take a similar view in the event of the Canadian government deciding that in her domestic interest it was necessary to put a tax on exports or raise the tariff on imports, notwithstanding the fact that pressure might conceivably be brought to bear on Washington by interests having large financial investments in Canada. The right is conceded to each country to manage its internal affairs as it pleases, public opinion expecting from its representatives, and rightly so, a policy of fair dealing consistent with self-interest.

Meredith and Taylor on Capital

On the matter of the investment of United States capital in Canada Sir Vincent Meredith, president of the Bank of Montreal, referred to the subject in these words:

"While it would be preferable to have Canadian capital available for Canadian development, it is impossible for a young country to supply the needed money for this purpose, and it is infinitely better to have this development brought about by foreign capital to the primary and ultimate advantage of our people than to have our resources lie dormant."

Sir Frederick Williams-Taylor, general manager of the Bank of Montreal, had this to say:

"From a purely material point of view it makes no difference whether the capital that develops our resources comes from the United States or elsewhere, but I shall not be misunderstood if I say that for Empire reasons, which are more than merely sentimental, Canada as a whole would heartily welcome a great influx of British capital."

See No Future Subservience

These men and others in high places in Canada must have given thoughtful consideration to the future, but apparently they have no visions of the Dominion becoming subservient politically to the United States.

Without question the financial holdings of the United States in Canada are exceptionally well invested and, in the main, bring lucrative returns. So long as this condition continues, and one cannot foresee good reason for a change, American money will continue to pour into Canada and no political significance particularly attaches to it. The late Professor Mavor had this to say on the subject:

"Take it from Wall Street that while money can do much it cannot do everything. Apart from the economic fact that it is a means and not an end, an instrument of creation but not a creator, an indispensable tool but not the artificer, the control it gives over the destinies of our neighbors is subject to the intelligence with which it is used. The day may come when an American protectorate of Mexico is forced upon us. But American investments in Mexico would be an excuse, a bad excuse, and not a reason.

"Where it is intelligently made, trade follows the investment in foreign countries, as the British have proved. They opened the doors of commerce to all the world and wisely left them open, exacting no preference themselves. They financed South America but were themselves the instigators of the Monroe Doctrine. We may use our foreign influence wisely or foolishly, but our investment bears not the slightest relation to a campaign of territorial aggrandizement."

What Outsiders Think

But while Canadians know no reason why Canada and the United States cannot get along amicably in the future, it is well to consider the subject from the point of view of responsible outsiders. Expressions of apprehension as to our future have been given voice from such sources.

Professor Urwick, of the University of London, recently said in Montreal: "I am surprised at the strong feeling in Canada against annexation to the United States. This feeling will save Canada from any fear of annexation at least for a while."

The increase in American commercial influence, however, was a very serious problem for Canada, he said. If it increased, Professor Urwick believed that in forty years time Canada would be in grave danger of annexation and he would not be surprised if the now "impossible" would come to pass then.

Where British Have Lost Ground

In a recent speech, Sir John Ferguson, president of the Institute of Bankers in Great Britain, in a plea for a greater interest in the development of the empire by British banks and British people, spoke in serious

(Continued on page 48)

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These Bonds having been sold, this advertisement is published for record purposes only.

NEW ISSUE

$4,000,000

Abitibi Fibre Company, Limited

(A wholly owned subsidiary of the Abitibi Power & Paper Company, Limited, which has purchased all of the issued Preferred and Common Stock of the Company)

First Mortgage 6% Sinking Fund Gold Bonds, Series "A"

To be dated February 1, 1927. To mature February 1, 1947. Principal and semi-annual interest (August 1 and February 1) payable in Canadian gold coin at any branch of The Royal Bank of Canada, in Canada, or in United States gold coin at The First National Bank of Chicago, Chicago, Illinois, or at The Farmers' Loan & Trust Company in the city of New York, or at the option of the holder in sterling at The Royal Bank of Canada, London, England, at the rate of $4.86 2/3 to £1. Coupon bonds of $1,000 and $500 denominations, with privilege of registration as to principal. Redeemable in whole or in part on any interest payment date on sixty days' notice at par and accrued interest, plus a premium of 5% if redeemed on or before February 1, 1928, such premium decreasing thereafter ½ of 1% each two years until February 1, 1946, and thereafter at par and accrued interest. Trustee: Montreal Trust Company, Montreal.

CAPITALIZATION
(Upon completion of present financing)

	Authorized	To be Outstanding
First Mortgage 6% Sinking Fund Gold Bonds........	$10,000,000	$4,000,000 (Series "A")
7% Cumulative Preferred Stock....................	10,000,000	4,000,000
Common Stock (no par value)......................	100,000 shs.	100,000 shs.

The following summary is based upon a letter of Mr. Alexander Smith, President of Abitibi Fibre Company, Limited, dated February 4, 1927:—

THE COMPANY: Abitibi Fibre Company, Limited, has acquired all the properties and assets of the Mattagami Pulp & Paper Company, Limited, as a going concern. These properties, located at Smooth Rock Falls, Northern Ontario, include a complete plant of modern reinforced concrete construction with a manufacturing capacity of 50,000 to 60,000 tons per annum of high grade sulphite pulp, to which bleaching equipment with a capacity of about 30,000 tons per annum was added in 1926, and a complete hydro-electric development with an installed capacity of 9,000 h.p., which supplies power for current needs.

The Company holds a Crown timber license from the Province of Ontario, covering approximately 840 square miles of timber lands on watersheds in the neighborhood of its plant, in addition to about 125 square miles of timber areas on the same watersheds owned in fee simple—a total of approximately 965 square miles estimated to contain not less than 3,000,000 cords of spruce pulpwood. This amount assures an ample supply of pulpwood for the Company's requirements.

SECURITY AND ASSETS: These Bonds will be secured by a Deed of Trust and Mortgage, constituting, in the opinion of Counsel, a first mortgage and charge on all of the Company's assets, present and future, specific as to real estate, plants, buildings, equipment, timber areas and other fixed assets, and a floating charge as to all other assets.

The net tangible assets, as shown by the Balance Sheet of the Company at December 31, 1926, as certified by Messrs. Price, Waterhouse & Co., after giving effect to appraisals were as follows:

Plant and Equipment, sound depreciated value, as appraised..........	$5,458,218.91
Freehold Timber Lands and Crown Timber Limits, as appraised........	3,000,000.00
Working Capital..	1,347,978.83
Total Assets...	$9,806,197.74

EARNINGS: Net earnings of the properties acquired, available for interest, after deducting all operating charges, maintenance and repairs, but before depreciation and Dominion Taxes, as certified by Messrs. Price, Waterhouse & Co., have been as follows:

Year ended December 31, 1925..........................	$534,611.31
Year ended December 31, 1926..........................	700,734.55

Net earnings for the year 1926, reflecting only in part the operation of the new bleaching plant, were, therefore, over 2.9 times the maximum annual interest charges of $240,000 on these Series "A" Bonds to be outstanding.

SINKING FUND: The Trust Deed will provide for annual sinking fund payments commencing November 1, 1928, estimated to be sufficient to retire over 61% of these Series "A" Bonds prior to maturity, the minimum annual payment being $90,000.

OWNERSHIP AND MANAGEMENT: Abitibi Power & Paper Company, Limited, one of the largest newsprint manufacturing companies in Canada, has purchased all of the issued Preferred and Common stock of the Abitibi Fibre Company, Limited, whose plant and properties are situated in the same territory, assuring efficient co-operation between management of the parent company and its wholly owned subsidiary, and permitting the most economic development of the combined resources of the two companies. It is the intention of the Fibre Company, as and when economic conditions warrant, to develop the property as a newsprint operation, for which power and wood conditions are peculiarly favourable.

We offer these bonds for delivery if, as and when issued and received by us, and subject to the opinion of our counsel of all proceedings, at—

99 and accrued interest, to yield about 6.09%

Royal Securities Corporation, Limited
Peabody, Houghteling & Co.

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

SWIFT CURRENT, MANITOBA TOWNS, SETTLE CLAIMS

Debenture Holders Make Concessions to Defaulted Municipalities

BASSANO AND TABER

Approval Also Given to Settlements Arrived at in Alberta Towns in Trouble

Progress has been made by debenture holders' committees in arranging settlements with a number of Canadian municipalities that have gotten in arrears in their payments of interest or principal. Committees have worked chiefly through Dominion Mortgage and Investments Association.

Swift Current, Saskatchewan

Bill was introduced into the Saskatchewan legislature this week to legalize the settlement arrived at between city of Swift Current and its debenture holders. Under the settlement, the debenture holders agree to cancel all interest over three per cent., to which they were entitled in the years 1921 to 1927. The interest for 1921 is not to be paid until the financial position of the town makes such action advisable. From 1928 to 1937, interest is not to exceed three per cent. for the first five years and 3½ per cent. for the next five years, although it may be less if financial condition of the city warrants. All excess interest to which debenture holders are entitled over these figures will be cancelled.

Consent has been received from over 60 per cent. of the debenture holders of each of the four Manitoba suburban municipalities in difficulties to adjustment of their debentures on the basis of the recent settlement. This makes the agreements effective.

St. James, Man.

Rural Municipality of St. James will make a refunding issue to be dated January 1, 1926, and to mature in 1956. The issue will bear 5½ per cent. interest and will be issued to the holders of unmatured debentures, valued on a 5½ per cent. basis, with interest to December 31, 1925. The sinking fund on hand will be disbursed pro rata to holders of sinking fund debentures and a new sinking fund of $50,000 annually will be set up to care for the new issue.

St. Vital, Man.

The arrangement at St. Vital is similar except that in the case of debentures bearing interest over 6½ per cent. the rate of interest to December 31, 1925, will be considered at 6½ per cent. The sinking fund will be $10,000 annually.

At Transcona, only four per cent. debentures will be issued to the debenture holders. The sinking fund will commence in 1930 and will be built up by annual payments to be determined later. Any excess interest earnings of the sinking fund will be paid over to debenture holders.

West Kildonan, Man.

West Kildonan will issue 5½ per cent. debentures on a similar plan. The sinking fund, amount of annual payments into which is yet to be determined, will begin in 1933.

The following figures show the debts of the respective communities and the amount of approvals obtained from debenture holders to date:

Approvals to Order of Winnipeg Suburban Municipal Board
Municipal and School Debt*

	Debt	Approvals Obtained	%
St. James	$2,231,949.67	$1,690,389.23	75.74
St. Vital	1,010,811.30	651,844.85	64.40
West Kildonan	838,091.34	610,524.92	72.84
Transcona ...	708,975.00	525,975.00	74.19
	$4,789,827.31	$3,478,734.00	72.63

*—Irrespective of Housing Debt held by Government.

Bassano and Taber

In Alberta, progress has been made in the case of Bassano and Taber. Governmental approval has been given the recent arrangement; debenture holders are requested to forward their debentures to the town for settlement.

Canadian "Car" Gets Nice $2,000,000 Order

From Our Own Correspondent.

MONTREAL.—The Canadian National Railway has placed an order for 37 passenger cars with the Canadian Car and Foundry Company. The order consists of twenty sleeping, five observation, and twelve dining cars, and is understood to be but a prelude to larger orders which the road will place shortly.

The C. N. R. has also ordered 1,000 steel frame cars for its U. S. lines, but this order has been placed with companies in the United States. Another order for 1,000 freight cars will be placed, it is expected, in Canada shortly. These cars will be used on Canadian lines. It is reported that the passenger car order placed with the Canadian Car and Foundry Company has a total value of around $2,000,000.

When the railway places further orders, it is said that other car companies in Canada will also participate in the business. It is reported, too, that orders for between 25 and 30 locomotives will also be placed in Canada. This, however, would probably go to the Canadian Locomotive Company.

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Canadian Converters' Sales Satisfactory

From Our Own Correspondent.

MONTREAL.—It is understood that the current business of the Canadian Converters is somewhat ahead of that experienced a year ago. Sales, particularly in the West, are said to be very gratifying to the management.

While several of the textile stocks have shown considerable strength, "Converters" has not yet, perhaps, reflected to the full the general market buoyancy. On December 1, last, the company redeemed its only issue of bonds outstanding. Last year the interest on the issue amounted to some $12,000. For the fiscal year ending April 30 next, therefore, the company will only show bond interest for a six-months period. For the future all the earnings will be applicable to the common stock, of which $1,733,500 has been issued.

TORONTO FINANCE CARRIES ON WHILE IN LEGAL TANGLE

Question of Dividend May be Decided by Shareholders Themselves

The question as to whether or not the Toronto Finance Corp. will pay a dividend for the half year ended December 31st will not be determined for some weeks, according to officials of the company. It was intimated that officers of the company are inclined to argue against payment of a dividend at this time in view of the peculiar conditions affecting the company, as well as the fact that business has not been especially good for all companies which deal in second mortgages.

Toronto Finance Corp. is defendant in a suit which will be heard by the judicial committee of the privy council in England. The suit, brought by O. J. Brooks, the promoter of the company six years ago, involves ownership of the common stock and, consequently, control of the company's affairs.

Mr. Brooks is president but he is in a minority on the board of directors and has not been able to exercise his will. Alex. Butler, vice-president and general manager, is at the helm.

Mr. Butler says that the half-year's dividend paid last summer was authorized at a special general meeting of shareholders and he presumes that the same course will be adopted with regard to any dividends which may be paid for the final half of 1926. The directors may, pending the outcome of the suit, call special meetings of shareholders but cannot assemble in general meeting to elect directors or to pass on the routine affairs of the company.

There are numerous legally technical problems arising out of the suit, concerning the carrying on of the company's affairs in the interim. The question of the mode of dividend payments is one of these. It is said that the stock-transfer books of the company are closed at the present time pending action on the dividend.

The company's auditors are now working on the books. It is said that the company has come through 1926 with a minimum of losses and that a reasonable profit will be shown as a result of the year's operations.

Tooke Preferred Accept Plan Liquidating Arrears

MONTREAL.—Both the preferred and the common shareholders of Tooke Brothers have accepted the offer leading to the liquidation of the arrears of dividends on the preferred stock. At the special general meeting of the company over 80 per cent. of both classes of stocks were represented, and the meeting gave its unanimous approval to the plan whereby the preferred shareholders, in lieu of their dividend arrears, will receive one share of new, no par value, common stock for every two shares of preferred stock held. The plan includes the issuance of new, no par value, stock, of which the present common shareholders in the company will receive two new shares for every five of the old.

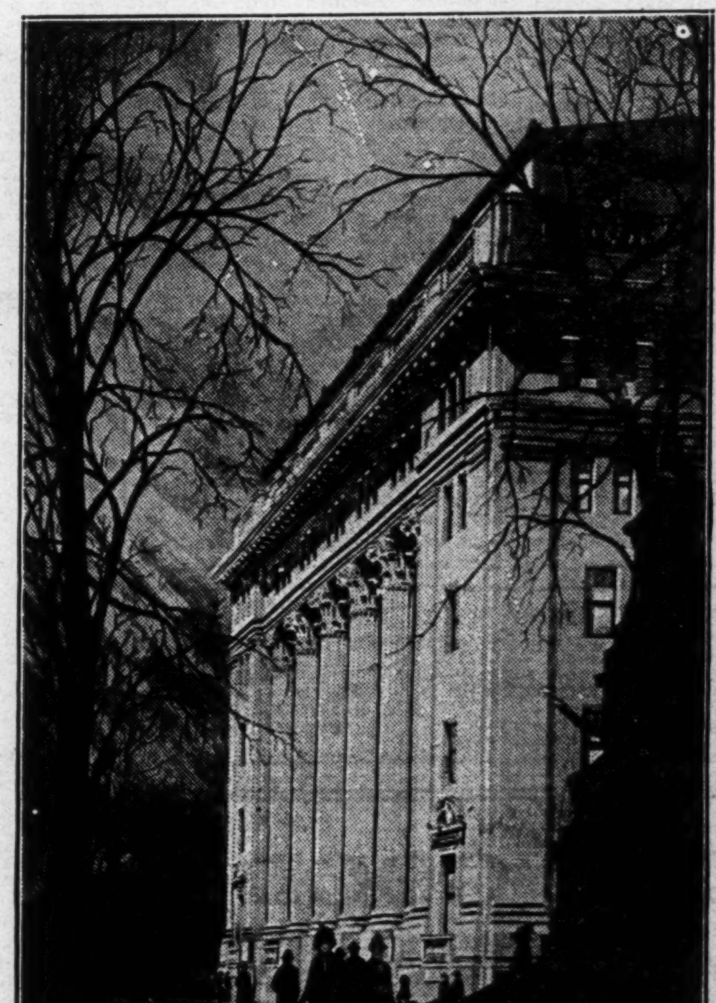
SUN LIFE ASSURANCE COMPANY OF CANADA

A TOWER OF STRENGTH

1926

ASSURANCES IN FORCE (net)	$1,256,490,000
An Increase of $235,393,000	
New Assurances Paid For -	265,889,000
An Increase of $72,412,000	
Total Income - - - -	78,972,000
An Increase of $9,825,000	
Payments to Policyholders and Beneficiaries - - -	38,576,000
Total Payments Since Organization - - - - - -	257,816,000
Reserve for Unforeseen Contingencies - - - - -	11,000,000
Surplus over all Liabilities and Contingency Reserve -	34,011,000
An Increase of $5,371,000	
ASSETS at December 31, 1926	345,251,000
An Increase of $42,195,000	

Dividends to Policyholders increased for seventh successive year



EXTRACTS FROM DIRECTORS' REPORT

The operations during the past year have resulted in substantial advances in all departments. . . .

The new policies paid for. . . . almost double the figures of two years ago.

The assurances in force, after deduction of reassurances, ... show an increase of. . . . . over twenty-three per cent.

Policies and group certificates now outstanding aggregate well in excess of half a million.

The figures relating to resources and earning power are equally satisfactory.

The high quality and profitable character of our investments has again been demonstrated. As a result of continued reduction in prevailing rates of interest, and of satisfactory industrial conditions, there has been a further rise in the market values of our long-term bonds and of our preferred and other stocks. The appraisal of our securities made by the Government Insurance Department shows that the excess of market values over cost has increased during the year by $6,894,266.26. In addition, the sum of $1,729,364.52 has been realized as net profit from the redemption or sale of municipal debentures and other securities which had risen to high premiums. The rate of interest earned on the mean invested assets has also risen to the remarkable figure of 6.69 per cent, as the result of substantial dividend increases, bonuses, and stock privileges received in connection with many of our holdings.

The quality of the investments listed in the assets may be judged from the fact that on 99.55 per cent of the bonds and on 99.71 per cent of the preferred stocks, not one dollar of interest or dividend is in arrear for even one day. On our common stocks the dividends now being received are greatly in excess of the dividends payable on the same stocks at time of purchase.

The total surplus earned during the year amounted to $20,457,077.28. From this the following appropriations have been made:

The sum of $2,000,000 has been deducted from the official valuation of our securities to provide for possible fluctuations in market values. This raises the amount set aside for this purpose to $5,000,000. In other words, the value at which our securities are carried in the balance sheet is $5,000,000 less than the appraisal made by the Government authorities.

The account to provide for unforeseen contingencies has been increased by $1,000,000 bringing the total under this heading to $11,000,000.

The book value of our Head Office building has been written down by a further sum of $250,000 though it certainly could not be replaced at even its original cost.

An additional amount of $400,000 has been set aside to provide for greater longevity of annuitants. The total held under this heading in excess of Government requirements, is now $1,500,000.

The reserves on the newly acquired business of the Cleveland Life, and on other reassured policies, have been raised to the same high standard as that used for the valuation of liabilities under our own contracts.

To our policyholders, profits have been paid or allotted during the year to the amount of $9,235,526.80.

After making these deductions and allocations an addition of $5,371,564.56 has been made to the undivided profits. The surplus over all liabilities, contingency accounts and capital stock, now stands at $34,011,565.25.

For six years in succession we have increased the profits to participating policyholders. During this period our profit scale has been doubled. While the assurances in force have multiplied two and a half times since 1920, the amount paid or allotted as profits to policyholders has multiplied five and a half times. We are gratified to announce, for the seventh consecutive time, a further increase in the scale of profits to be distributed to our policyholders in the ensuing year.

SUN LIFE ASSURANCE COMPANY OF CANADA

Savings Deposits Gain $54,000,000

Canadian banks closed the year 1926 with total assets of $2,939,900,798, an increase of $44,000,000 during the year. The increase was almost wholly due to the exceedingly large increase in savings deposits of Canadian people, which climbed by $54,000,000 during the year.

The principal increases and decreases in bank liabilities in 1926 were as follows:

	Increase	Decrease
Savings deposits	$54,000,000	....
Demand deposits	11,000,000	....
Foreign deposits	....	$19,000,000

In assets, current accounts showed substantial advance in the year, being $67,000,000 higher. The principal changes in assets were:

	Increase	Decrease
Current accounts	$67,000,000	....
Loans abroad	31,000,000	....
Canadian call loans	15,000,000	....
Dominion notes	....	$19,000,000
Government securities	....	49,000,000
Public Securities	....	18,000,000

December showed no striking changes in the bank figures, other than those of a purely seasonal character.

BANK STATEMENT FOR MONTH OF DECEMBER

	Dec., 1926	Nov., 1926	Change	Dec., 1925	Change
Immediately Available Liquid Resources—Assets					
Specie	$ 72,490,249	$ 87,034,736—	$14,544,487	$ 68,687,028+	$ 3,803,221
Dom. Notes	137,734,954	136,840,981+	893,973	156,739,879—	19,004,925
Gold Res.	68,810,332	70,660,332—	1,850,000	71,060,332—	2,250,000
U. K. Banks	14,789,812	13,551,102+	1,238,710	10,171,955+	4,617,857
Foreign Banks	60,749,310	54,963,811+	5,785,499	63,676,177—	2,926,867
For. Curr.	25,980,778	32,013,160—	6,032,382	31,612,605—	5,631,827
Govt. Secs.	304,016,078	304,472,901—	456,823	351,604,944—	47,588,866
Call L. Ab'd	272,597,360	288,902,941—	16,305,581	258,566,588+	14,030,772
	$957,168,873	$988,439,964—	$31,271,091	$1,012,119,508—	$54,950,635
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	$120,249,826	$119,953,582+	$ 296,244	$ 138,118,364—	$ 17,868,538
Rly. Secs.	59,353,104	56,262,613+	3,090,491	59,847,161—	494,057
Can. Call Ls.	150,946,494	141,379,542+	9,566,952	135,674,270+	15,272,224
Current	970,053,595	986,400,696—	16,347,101	903,259,725+	66,793,870
Ls. Abroad	269,558,311	241,337,902+	28,220,409	238,482,690+	31,075,621
Prov. Loans	24,569,766	20,425,178+	4,144,588	24,282,326+	287,440
Municipal	60,579,212	69,181,880—	8,602,668	52,733,704+	7,845,508
	$1,655,310,308	$1,634,941,393+	$20,368,915	$1,552,398,240+	$102,912,068
Other Assets					
N.-cur. Ls.	$ 8,920,185	$ 8,903,699+	$ 16,486	$ 9,532,840—	$ 612,655
Real Estate	7,907,789	7,948,782—	40,993	8,326,048—	418,259
Mortgages	5,764,377	5,824,489—	60,112	4,978,691+	785,686
Premises	70,426,784	70,560,996—	134,122	72,599,029—	2,172,245
Lets. of Cred.	74,556,068	79,334,371—	4,778,303	69,936,562+	4,619,506
Loan to Comp.	5,420,287	5,239,093+	181,194	5,054,930+	365,357
Other Assets	2,885,732	2,963,107—	77,375	3,576,147—	690,415
	175,881,222	180,774,447—	4,893,225	174,004,247+	1,876,975
Total	$2,788,360,403	$2,804,155,804—	$15,795,401	$2,738,521,995+	$49,838,408
Note Cir. Dep.	5,774,935	5,766,650+	8,285	5,806,968—	32,033
Int. Bk. Bal.	145,765,460	140,446,955+	5,318,505	151,740,894—	5,975,434
Gross	$2,939,900,798	$2,950,369,409+	$10,468,611	$2,896,069,857+	$43,830,941
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	$175,083,324	$177,777,181—	$2,693,857	$ 173,891,566+	$ 1,191,758
Dom. Govt.	15,633,144	12,886,352+	2,746,792	22,280,261—	6,647,117
Prov. Govt.	15,764,554	15,556,153+	208,401	22,345,268—	6,580,714
Govt. Adv.	11,500,000	13,150,000—	1,650,000	14,750,000—	3,250,000
Deposits by Public					
Demand Dep.	608,889,986	602,882,638+	6,007,348	597,449,238+	11,440,748
Sav. Dep.	1,372,763,485	1,367,295,012+	5,468,473	1,318,875,483+	53,888,002
Total	$1,981,653,471	$1,970,177,650+	$11,475,821	$1,916,324,721+	$65,328,750
For. Dep.	334,458,041	351,250,875—	16,792,834	353,793,514—	19,335,473
Due Banks Abroad, Etc.					
United Km.	$ 7,684,520	$ 6,287,887+	$1,396,633	$ 3,740,571+	$ 3,943,949
Foreign	42,954,564	39,960,862+	2,993,702	35,905,197+	7,049,367
Bills Pay.	8,937,365	9,717,854—	780,489	14,449,743—	5,512,378
Lets. of Cred.	74,556,068	79,334,371—	4,778,303	69,936,562+	4,619,506
Other liab.	2,292,131	1,930,032+	362,099	1,963,225+	328,906
Pub. Liab.	$2,670,517,182	$2,678,029,217—	$7,512,035	$2,629,380,628+	$41,136,554
Due Bet. Bks.	11,713,199	13,905,910—	2,192,711	11,849,384—	136,185
Liability to Shareholders					
Dividends	$ 792,084	$ 3,940,420—	$ 3,148,336	$ 793,474—	$ 1,396
Reserve	125,441,700	125,441,700	....	125,441,700	....
Capital	117,164,660	117,164,660	....	116,164,660+	1,000,000
Gross	$2,925,628,825	$2,938,481,907—	$12,853,082	$2,883,629,846+	$41,998,979

Dominion Life Doubles In Size in Six Years

A company that has more than doubled in size during the past six years is the Dominion Life Assurance Co., which submitted its thirty-eighth annual report at the annual meeting of the company held this week. New assurances issued during the year amounted to $21,187,000, an increase of 17 per cent. over the 1925 business. This brings the total assurance in force up to $93,880,000, which is $12,000,000 more than at the end of 1925 and nearly ten times as much as at the end of 1916. Of the $1,101,000 paid to policyholders this year the company reports that 27 per cent. was paid as profits earned on policies, and that in 1927 the scale of dividends to policyholders is to be further increased. The company's total assets stand at $15,838,000, and during the year the average rate of interest earned on the company's investments was 6.95 per cent.

CARRYING OUT YOUR WILL—FAITHFULLY

The inexperience of a relative or friend—acting as the Executor of your Estate—may thwart the realization of your expressed wishes.

The experience of The Royal Trust Company—acting as your Executor—is an assurance that your "last Will and Testament" will be administered as you have stipulated.

The cumulative experience of administration of many Wills, large and small, promotes efficiency and economy.

THE ROYAL TRUST Co
EXECUTORS AND TRUSTEES
Head Office - Montreal

CALGARY
EDMONTON
HALIFAX
HAMILTON
OTTAWA
QUEBEC
SAINT JOHN
ST. JOHN'S, NFLD.
TORONTO
VANCOUVER
VICTORIA
WINNIPEG

374

"CANADA'S DAY NOW," HEARST DECLARES

Municipal Bankers' Banquet Featured by Addresses of Operating Heads of Companies Financed

Representatives of Municipal Bankers Bond and Sales Corporation from all over Ontario were present at the annual dinner of the company in Toronto this week. Opportunity was taken by the general managers of enterprises, that have been financed by the corporation, to outline the progress of their companies and indicate the possibilities for the future. Sir John Willison, vice-president, presided.

"I am more than ever convinced that this is Canada's day," said Sir William Hearst, president, who spoke briefly on the position of Canada, after making various announcements of interest to the company's representatives. Sir William gave some figures of the development of Canada within his lifetime to indicate, by the growth in the past, the possibilities of the future.

G. K. Page, of White, Weld and Company, New York, stated that American investment bankers had their eyes on Canada and were eagerly seeking good Canadian issues. The first piece of construction financing his own very conservative firm had ever handled was a Canadian work, Canadian Rail and Harbor Terminals, Toronto, and this was significant of the feeling in New York toward the proper type of Canadian investment.

S. B. Pepler, managing director of Ontario Bakeries, stated that his company, financed during the past year by Municipal Bankers, was now over the hill and earning satisfactory profits. There were ten bakeries in the chain, two that had proven difficult to handle having been disposed of. The bakeries were in the best Ontario towns and were maintaining high standards of uniformity and quality in their bread, thus winning a large following.

Some interesting information about the Canadian Rail and Harbor Terminals Building in Toronto, which is now virtually completed, was given by Frank Kennedy, general manager. The building was already about 40 per cent. rented and was assured of success. Many accounts were being taken from the old Toronto Terminals Company warehouse, the business of which was purchased last year, and not one of the old clients had declined to take space in the new warehouse.

"We intend to have, in time, a department store in every good community in Ontario," said G. H. Rennie, general manager of Canadian Department Stores, in discussing the prospects of his company, now being financed by Municipal Bankers. "Their average age is 46 years and they are in the best towns in Ontario, which is the richest area in the world, measured in purchased power per capita." Mr. Rennie told something about department store chains elsewhere and promised that their success would be duplicated by his company, which was bringing to the stores in the chain the weapons to meet the competition of the big city stores and the mail order houses.

T. A. Neely, director of Municipal Bankers, presented to about twelve of the company's representatives gold watches won by them in recent sales contest organized and directed by R. H. Pringle, sales manager of the company, who also spoke.

Standard-Size Brick Plan Adopted by Manufacturers

Plans for a standard-sized brick, the dimensions being 8 inches by 3¾ by 2¼ inches, have been adopted by the Canadian National Clay Products' Association.

When put into effect it will mean a tremendous saving in many directions such as mass production, uniformity in buildings and cheaper additions to buildings. The plan has been approved by members of the Society of Architects of Ontario and is already in effect in Quebec and Alberta. The same size of standard brick has also been approved by the Department of Trade and Commerce of the United States, through the Bureau of Simplified Practice, and is in general use over the border.

McDougall & Cowans

Members of the Montreal Stock Exchange
Members of Montreal Curb Market
130 St. James Street
STOCK BROKERS

HALIFAX SAINT JOHN, N.B. QUEBEC
OTTAWA TORONTO WINNIPEG

MONTREAL

Direct Private Wire to all Branches and New York

NEW ISSUE

$1,250,000
Economic Investment Trust
Limited
(Incorporated under the Laws of the Dominion of Canada)

CONVERTIBLE COMMON STOCK

The Common Stock is to be fully paid and non-assessable. Dividends as declared and payable will be paid by cheque payable at par at any branch of the Trust's bankers in Canada, Yukon territory excepted. The present issue af 25,000 shares is convertible into preferred stock at the option of the holder on the basis of 1 1-20 shares of $100 par value 5½% Cumulative Redeemable Preferred Stock for 2 shares of Common Stock in amounts of not less than 40 shares of the Common Stock and even multiples thereof. The conversion privilege will expire on December 31, 1929, and if exercised must be effected on the 30th of June or the 31st of December in any year up to and including December 31, 1929.

Transfer Agents and Registrar: The Toronto General Trusts Corporation.

Trustees: The Canada Trust Company.

CAPITALIZATION

	Authorized	Issued
Common Stock—$50.00 par value....................................	$2,500,000	$1,250,000
Preferred Stock—5½% Cumulative Redeemable	$2,500,000	*

**The Preferred Stock has been created to make provision for conversions of Common Stock, when, as and if the conversion privilege is exercised by Common Stock shareholders.*

DIRECTORS

GLYN OSLER, ESQ., K.C.
Director, The Bell Telephone Company of Canada
Director, The Mutual Life Assurance Co. of Canada

H. C. SCHOLFIELD, ESQ., M.L.A.
Vice-President, Page-Hersey Tubes, Ltd.

A. M. M. KIRKPATRICK, ESQ.
Director, Standard Bank of Canada

E. JAMES BENNETT, ESQ., F.C.A.
Partner, George A. Touche & Co.

HUME CRONYN, ESQ.
President, Huron & Erie Mortgage Corporation
President, The Mutual Life Assurance Co. of Canada

CANADIAN ADVISORY COMMITTEE

W. W. NEAR, ESQ.
President, Page-Hersey Tubes, Ltd.
Director, Dominion Bank

THE HON. S. C. MEWBURN, K.C., C.M.G.
Director, The Bank of Montreal
Director, The Mutual Life Assurance Co. of Canada

J. E. MCALLISTER, ESQ.
Director, Goodyear Tire Company, Ltd.

LT.-COL. W. LEGGAT, M.C.
Director, National Trust Company

T. H. WOOD, ESQ.
Vice-President, Standard Bank of Canada
Director, The Consumers' Gas Company of Toronto

LONDON, ENGLAND, ADVISORY COMMITTEE

WILLIAM SANDFORD POOLE, ESQ.
ANDREW W. TAIT, ESQ., C.A., C.B.E.

Information supplied to us by the Trust has been summarized as follows:

THE BUSINESS OF THE TRUST

Economic Investment Trust, Limited, has been incorporated under the Companies Act, Canada, to carry on a business similar in character to that of investment trust companies in Great Britain. The business of the Trust is not to be confused in any way with the usual functions of the Loan and Trust Companies in Canada.

The primary purpose of the Trust is to afford safety of investment, combined with maximum earning power through the broad diversification of its resources in all classes of investments, such as bonds of Governments, Municipalities, and Corporations, and the Preferred and Common stocks of Financial, Public Utility and Industrial Corporations and loans secured by such obligations and investments.

POLICY AND RESTRICTIONS

Proper investigation will be made before the purchase of investments for the Trust's account. Not more than 5% of the combined share and loan capital of the Trust may be invested in the stock and/or bonds of any one Company and/or Government and/or Public Authority, except bonds, and/or obligations of the Dominion of Canada and/or the Government of Great Britain. Not more than 10% of the stock and/or bonds of any one Company and/or Government and/or Public Authority, except bonds, and/or obligations of the Dominion of Canada and/or the Government of Great Britain may be purchased by the Trust, and consequently it will not have a controlling or managerial interest in any enterprise.

ASSETS AND EARNINGS

It is intended that the assets of the Trust will consist entirely of cash and investments. Its earnings will be derived from the interest and dividends received from these holdings and will be available for dividends on the Trust's Common Stock.

Substantially increased earnings are anticipated from the investment of the proceeds of the sale of senior securities bearing low rates of interest when the established earning power of the Trust will permit of the disposal thereof. The difference between the cost of such borrowed money and the earnings to be had from these funds will accrue to the benefit of the Common Stock shareholders.

GENERAL

The cost of carrying on the business of the Trust will be kept at a minimum. Initial expenses have been very low and no promotion expenses, except commission for sale of shares, either in the way of cash or bonus stock have been paid or are to be paid. The present issue of stock will net the Trust par.

The Trust is founded on the basis of a mutual investment Corporation, and each Common Stock shareholder will participate in the earnings pro rata to his or her holdings. Concentration of buying power and information, thorough analysis of securities, safety through diversification and other advantages should prove profitable to the Trust and its shareholders.

PRICE: $52.50 Per Share

The subscription price is payable as follows: $12.50 per share upon application, which payment includes a premium of $2.50 per share; $20.00 per share on March 15, 1927; and $20.00 per share on April 15, 1927.

Solicitors: Messrs. Blake, Lash, Anglin & Cassels, on behalf of the Trust.

Messrs. Kilmer, Irving & Davis, on behalf of the Brokers. *Auditors for the Trust: Messrs. Clarkson, Gordon & Dilworth.*

Application will be made in due course to list these shares on the Toronto, Montreal, and London, Eng., Stock Exchanges.

Cochran, Hay & Co.
Limited
KITCHENER
58 King St. West
TORONTO
Dominion Bank Bldg.
LONDON
Dundas Building

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

THE
TORONTO GENERAL TRUSTS
CORPORATION

45th Annual Statement Shows 1926 to Be Largest Year in Corporation's History — Business as Executors and Trustees Greatly Increased.

Hon. N. W. Rowell, K.C., LL.D., President, and W. G. Watson, General Manager, Review Conditions at Annual Meeting of Shareholders — Conditions in the West — Canada's Foreign Trade — Improved Trade Conditions — Growth of Corporation's Business — Importance of Efficient Trusteeship — Estates Under Administration Exceed $140,000,000.00 — Total Assets $159,812,664.

The 45th Annual General Meeting of the Shareholders of the Toronto General Trusts Corporation was held at the Head Office of the Corporation, at Toronto, on Wednesday, 2nd day of February, 1927, at 12 o'clock noon. The President, Hon. N. W. Rowell, K.C., LL.D., presided, and Mr. H. M. Forbes, Assistant General Manager, acted as Secretary of the Meeting. Mr. W. G. Watson, General Manager of the Corporation, submitted the Annual Report for the year ended December 31st, 1926, accompanied by the usual statement showing the result of operations for the year. In moving the adoption of the reports, the President spoke as follows:

PRESIDENT'S ADDRESS

The Annual Statement presented to you to-day is one which, I am sure, you will receive with satisfaction. As our General Manager will deal with it in detail, I shall only comment on one or two features.

During the past year the business of the Corporation has shown a healthy expansion in all departments, and the profits are the largest in the history of the Corporation.

I have visited the Branches of the Corporation during the year, and met with the Advisory Boards and Branch Managers, and considered with them the business of the Corporation and the general financial conditions in the different Provinces of Canada where the Corporation is carrying on its business.

CONDITIONS IN WESTERN CANADA

A few years ago all the mortgage lending companies doing business in Western Canada faced very difficult conditions with a large number of mortgages in arrears and with the necessity of taking over substantial blocks of land by foreclosure in order to realize on their investments. That process of liquidation has continued during the past year and its completion is now in sight. While there were many foreclosures during the year, the Corporation sold almost twice as much land as in the preceding year and reduced its real estate holdings by over $200,000.00. There was also a substantial improvement in the payment of interest on western mortgages and the position of the Corporation's investments in the Prairie Provinces is better to-day than at any time since 1921. The fine crops and the good prices of the past two years have led to a general liquidation of indebtedness, while the severe depression in the preceding three years had led to greater thrift and economy. The development of mixed farming has added to the stability of the whole agricultural industry and the improved methods of handling the grain crop under adverse weather conditions, such as prevailed last Autumn, are a tribute to the courage and resourcefulness of the western farmer and the grain dealer. I am satisfied the agricultural industry in Western Canada is on a sounder basis to-day than at any previous period in our history.

With the improvement in agricultural conditions there has followed substantial improvement in all other lines of industry. One can now say with confidence that Western Canada is to-day facing an era of expansion and development which will be reflected in the whole industrial and commercial life of Canada.

PROGRESS OF BRITISH COLUMBIA

The Corporation's business in British Columbia has shown a marked expansion and a substantial increase in profits. This is but a reflection of the general progress of British Columbia during the year. Save in respect of fruits, where the problem of marketing is still a serious one, the primary industries of British Columbia have all had a good year.

One cannot visit Vancouver from year to year without noticing the steady and substantial progress that is being made. The opening of the Panama Canal has brought British Columbia almost as close to the markets of Europe as Ontario and Quebec and they are now able to secure an equally satisfactory ocean freight rate. The growth in shipping in the Port of Vancouver illustrates the progress and prospects of that Port. The tonnage of vessels entering Vancouver has gone up from 6,551,000 in 1923 to 10,000,000 in 1925 and the water-borne exports from $85,300,000 in 1921 to $179,000,000 in 1925 and the imports from $197,500,000 in 1921 to $234,400,000 in 1925. The 1926 figures are not available but will show an improvement over 1925.

CANADA'S FOREIGN TRADE

Canada's Foreign trade, which has such an important bearing on the general progress and prosperity of our country, continues to show a satisfactory expansion. Every improvement in general international conditions tends to stimulate our Foreign trade and contribute towards Canadian progress and prosperity. Our total Foreign trade for the year ending November, 1926, was $2,324,000,000, an increase over the year ending November, 1924, of $441,000,000, and over 1925 of $217,000,000. Do we, as Canadians, fully appreciate the great advantage of our facing the Pacific as well as the Atlantic Oceans and the opportunities for Foreign trade which this affords to us? Our Foreign trade on the Pacific is steadily growing. Our trade with Australia, New Zealand, British East Indies, Hong Kong, China and Japan—for the year ending November, 1925, amounted to $105,000,000. In 1926, it had grown to $150,000,000. This increase is but a promise and prophecy of the great expansion of Pacific trade in the future. Notwithstanding the disturbed conditions in China, our trade with China largely increased last year.

We must all earnestly hope that there may be an early and satisfactory adjustment of the difficult and urgent problems arising between China and the Foreign Powers and that the solution of China's internal troubles may not be unduly delayed.

IMPROVED TRADE CONDITIONS

The past year has witnessed a decided improvement in general European conditions. The entrance of Germany into the League of Nations and the coming into force of the Locarno Agreements are events of the greatest international significance and constitute important contributions to European peace and stability.

General employment has been more active recently than at any time during the past five years. Railway traffic, measured by car loads, has been heavier during the past months than at any previous period in our history, and the operating returns register the improved trade conditions. The immigration movement has nearly doubled in the past year, and promises to be substantially greater during the present year. The reports of our great financial institutions all tell the same story of solid progress.

The enormous expenditures now being made in water-power developments, and in the establishment of industries to utilize this power, particularly in the Province of Quebec, and the remarkable mining developments which we are now witnessing are but additional indications that Canada has entered upon one of the most important periods of industrial expansion and development in her history.

VALUE OF TRUST COMPANY SERVICE

The prospects for increasing business and for useful public service on the part of your Corporation were never better than to-day. These developments will demand increased service from Trust Corporations, not only as trustees for securities of industrial and financial Corporations embarking in these enterprises but, particularly, as executors and administrators of the estates of deceased persons. The Corporation, which never dies and which has an efficient staff with all the knowledge and capacity which comes from long experience in handling estates, is peculiarly fitted to discharge the important and responsible duties of managing the estates of deceased persons and protecting the interests of the widow and the orphan. That this is being appreciated by the public of this Country, is shown not only by the steady expansion and growth of your Corporation, but by the ever-increasing number of wills deposited with your Corporation by those who have chosen to name it as the Executor and Trustee of their estates.

The business of the Corporation requires a large and competent staff in charge of the Head Office and several Branches. I desire to pay a tribute to the ability and fidelity with which the General Manager and the entire staff have served the interests of the Corporation.

It is particularly gratifying to note the presence here to-day of Mr. J. G. Scott, K.C., one of the original Directors of this Corporation, and who has been present at every annual meeting for the past 45 years. We hope to see Mr. Scott at many more of our annual meetings.

I cannot close without referring to the great loss the Corporation sustained during the past year in the death of Mr. Robert Hobson, one of its most trusted Directors. Mr. Hobson, who was one of Canada's outstanding industrial leaders, was elected a Director in 1919. His intimate knowledge of the business affairs of Canada, his sound judgment, and his fine executive ability were placed unreservedly at the service of your Corporation. His social qualities endeared him to every member of the Board. In his death the Corporation sustained a serious loss. The vacancy on the Board has been filled by Mr. Paul J. Myler, of Hamilton. We are glad to welcome Mr. Myler to the Board.

The President then called upon Mr. W. G. Watson, General Manager, to address the meeting:—

ADDRESS OF W. G. WATSON, GENERAL MANAGER

The Annual Report and Financial Statements covering the operations of the Corporation for the year ended 31st December, 1926, which are submitted to you to-day, will, I trust, be found satisfactory.

FINANCIAL STATEMENTS

The Profit and Loss Statement, after providing for expenses and charges of every kind, discloses net profits for the year of $390,079.14, or the largest earnings we have heretofore enjoyed. The balance carried forward from the preceding year, added to the net profits of 1926, make a total of $524,459.16, which your Directors have dealt with as follows: By the payment of the usual 12% Dividend—$240,000, the setting aside of $48,000 to cover the Federal, Provincial and Business Taxes, the transfer to the Reserve Fund of the sum of $100,000, and by carrying forward a balance to the credit of Profit and Loss of $136,459.16.

The Assets and Liabilities Statement shows a total volume of assets under administration amounting to $159,812,664.27, or a net increase of $7, 021,144.14.

The new business assumed by the Corporation during the year exceeded $20,000,000, and was larger than that of any previous year, indicating not only the ever-increasing wealth of our Dominion, but also the wider interest that is being taken in Trust Company service.

You will be pleased to observe not only a substantial increase in the Estates, Trusts and Agencies section of our Balance Sheet which now amounts to $140,705,164.75, but also a marked increase over last year in our Guaranteed funds, which brings the total of this section of our Assets and Liabilities Statement to the very considerable sum of $14,273,780.89.

The mortgage investments negotiated by the Corporation for all accounts, including Trust, now amount to $27,476,463.79, or a net increase of $1,381,615.67 for the year. Of these mortgages $20,441,980.17 are secured on properties situate in the Province of Ontario, and $7,034,483.62 against Western farm and city properties. In Ontario, where so large a percentage of our mortgage loans is placed, the situation is one of great satisfaction, the fact being that less than $20,000 of interest charged during the year remains unpaid, or scarcely one-tenth of one per cent. on this substantial body of mortgage investments.

WESTERN BUSINESS

With regard to the Canadian West, great improvement has been made during the year in our mortgage loans and agreements for sale, in respect of which interest in arrear has been reduced by over 33 1/3%, and the whole situation made much more liquid. I cannot, perhaps, indicate to you the present position of the Western borrowers on mortgage and agreements for sale account better than by stating that on the 30th of September last, when practically all the 1925 crop had been accounted for, but really none of the 1926 crop marketed, and before another year's interest had matured, eighty per cent. of our borrowers had paid their interest in full to date.

While the year 1926 was a trying one in some respects to our Western Canadian farmers, chiefly owing to the unusual and very unfavorable weather conditions which prevailed, and the consequent difficulties experienced in threshing and marketing, and while a much larger percentage of the crop than usual remains unmarketed, it will ultimately, I am sure, be made apparent that the net financial returns to the farming community will be very little short of that which accrued from the splendid crop of 1925.

REAL ESTATE INVESTMENTS

You will be interested in the marked improvement that has taken place in our Real Estate held for Sale Account, which shows a reduction of over $200,000 for the year, notwithstanding the fact that a considerable volume of Real Estate fell into our hands in the West during the year in respect of loans where legal proceedings had become necessary. Our policy is to transfer from the Guaranteed section of our books to our own Capital Account all properties where legal action is necessary just as soon as title is obtained which accounts for what otherwise might seem to be rather substantial holdings upon Capital Account, of Real Estate and Sale Agreements, which latter securities, you will observe from our statement, are treated as separate and distinct from our mortgage investments, although many of the Sale Agreements are as well secured as first mortgages, and our Conditional or Crop Lease Agreements are carried in our Assets Statement at 25% less than the total sale price.

Our Estate and Trust funds, with the exception, of course, of those under administration in the West, are so far as mortgage investments are concerned, practically confined to Ontario loans.

Referring to our Government, provincial and municipal bonds and debentures held for all accounts and of which we held at the end of the year no less a volume than $29,325,959.90 of our own negotiating, or an increase of $2,777,448.49 for the year, these are apportioned among the several accounts as follows:—

Corporation's Capital	$ 121,145.07
Guaranteed Funds	3,980,678.34
Estates, Trusts and Agencies	25,224,136.49

In respect of the latter section, certain very large estates and trusts, in which we are, by the Wills or Trust Deeds under which we act, confined in our investments to Government and municipal bonds and debentures, account for the large volume of these securities on hand. You will be interested in knowing that the average interest yield upon this very large body of securities is 5.26%, and that only one small block of municipal debentures out of the total is in default and that for interest only.

In the matter of Call Loans, which we find very convenient for temporary funds or pending the investment of permanent monies, these amounted at the end of the year in all our accounts, including estates and trusts, to $2,939,051.75, in respect of which all are secured by Trustee securities except $62,665.50 held for our own Capital Account and $259,835.70 for certain agency and other accounts in which we have full authority to loan on other securities, and not one of these loans is in default or giving us the slightest concern.

I mention these facts in connection with the several classes of investments in which we as a Trust Company are authorized to invest, because I think they should be of peculiar interest not alone to you as Shareholders, but to the public at large, in view of the magnitude of the figures involved, indicating in some measure at least the very healthy condition of our Canadian financial affairs.

In the Canadian Government and Provincial Bond and the Municipal Debenture market, high-grade securities were available during most of the year in fairly large volume at prices ranging from a 4.90% to a 5.10% yield, and while recently some securities have sold higher, it does appear that there is not in Canada at present a very wide market, at least for municipal debentures at prices yielding a lower return than 5%.

Our President has referred to the rapid growth that is taking place in our foreign trade and the general expansion in Canadian business affairs, submitting figures which are more or less amazing when compared with those of pre-War days.

OPPORTUNITIES IN CANADA

Canada has undoubtedly moved into a period of great industrial and commercial development in which it is the duty of every citizen to make the fullest possible contribution by way of leadership, intiative or industry. Whilst others have faith in the resources and future of Canada sufficient to induce them to invest their capital in organizations for the development of our natural wealth and in the furnishing of plant and equipment, we, as Canadians, I am sure will not be slow in taking advantage of the golden opportunities that lie around us for the development of our manufacturing and trading industries and for the adventure of our brains, brawn and money in enterprises that are specially adapted to our natural resources in farm, forest, mine and water-power, as well as those which have to do with turning to account in tourist traffic the inestimable wealth of natural beauty and health to be found in forest and mountain, lake and stream, from one end of Canada to the other.

The time for pessimism is past. We need the cheer and goodwill, the faith and courage of every citizen. Our farmers in the West are working hard and making great progress, as anyone who visits the West from year to year must surely observe. This is also true of our Eastern farmer, although the last year to him has been particularly difficult due to very inclement weather during harvesting operations.

HIGHER STANDARDS OF FARM PRODUCTS

It is not alone in volume or quantity that our agriculturists are forging ahead, but also in the increasing variety of farm products and best of all in quality and standards, as evidenced by our success in foreign markets and also by the very remarkable honors won by our Canadian farmers last year at the International Live Stock Exhibition and Grain and Hay Show at Chicago. Among other signal awards which went to Canadian farmers at this Show, a young man from Wembley (600 miles North of the boundary in Alberta), Herman Trelle by name, was awarded the championship for both wheat and oats—a triumph of which we are all justly proud.

BUSINESS REFLECTING CANADIAN PROSPERITY

Mining returns are showing substantial improvement from year to year and yet while the output may already seem large, I venture to think that this great industry has barely made an entrance into its vast kingdom of wealth.

Our Canadian pulp and paper enterprise is forging ahead with remarkable strides, and now occupies a commanding position in our industrial life.

Our Railways are showing in their much-improved reports the trade expansion that we are enjoying. The immigration movement was much better in 1926 with a considerable increase in the return of expatriated Canadians from the United States over former years and the indications, we are informed, suggest even better results in 1927. This larger volume of immigration is being reflected in an increasing number of filings on Government homesteads and in land sales by the Railways, Hudson's Bay Company and Mortgage Lending Companies.

You have heard the encouraging reports for 1926 of Banks, Insurance Companies and other financial institutions. The Trust Companies of Canada are also reflecting the good news of increasing wealth in Canada and the more diversified forms which this wealth is assuming. At least fifty-eight Canadian Trust Companies with assets of $1,168,353,681 under administration, as at December 31st, 1925, are now doing business in the Dominion, reporting a volume of assets equal to approximately 50% of the total deposits of the chartered banks of Canada.

IMPORTANCE OF EFFICIENT TRUSTEESHIP

The Trust Company has become in these recent years an integral and most essential part in the group of financial institutions upon which we must depend for the co-ordination and conduct of our complex and rapidly developing world of business affairs.

Each year sees an ever-increasing number of our citizens taking advantage of the trained and experienced services and responsible administration of Trust Companies by the setting up of Voluntary Trusts and in appointing corporate executors and trustees under Wills, which, we observe, from our records is showing a very marked increase from year to year. While this is true, it is also correct to say that a very large percentage of those who have property to leave still fail in their obligations to those who are dependent upon them by neglecting to make a Will and appoint a permanent and experienced executor. In this connection may I suggest to our Shareholders that, while greatly assisting in the development of your own Trust Company, you can at the same time render valuable service to your friends and acquaintances by reminding them of the important duty which is theirs in arranging for the administration and conservation of their estates by making a Will and naming a Trust Company as executor and trustee which will impartially carry out the provisions and directions contained therein.

Meeting the growing demand for corporate executorship and trusteeship, the Trust Company efficiently renders a responsible service in administering for the benefit of those dear to the heart of the testator the material wealth which in so many cases has taken a lifetime to acquire. The well-equipped Trust Company will, I am convinced, find ample opportunity in the years that lie immediately before us in Canada for the employment of its best endeavors and the realization of its reasonable expectations.

In closing I desire to place on record my esteem and regard for the Officers and Staff of the Corporation who at Head Office and Branches have addressed themselves with loyalty and enthusiasm to the tasks with which they were respectively charged and to whom must be credited a very large share in the success which has attended upon our endeavors throughout the year.

The adoption of the report, moved by Hon. N. W. Rowell, K.C., LL.D., and seconded by Chas. S. Blackwell, Esq., was unanimously adopted.

On motion, the following shareholders were appointed Directors for the ensuing year:—Hon. N. W. Rowell, K.C., LL.D.; Major-Gen. Sir John M. Gibson, K.C.M.G., K.C., LL.D.; Charles S. Blackwell; E. T. Malone, K.C.; J. G. Scott, K.C.; Hon. A. C. Hardy; J. Bruce Macdonald; Lieut.-Col. R. W. Leonard; Lieut.-Col. John F. Michie; Hon. Sir Daniel H. McMillan, K.C.M.G.; H. H. Williams; Thomas Bradshaw, F.I.A.; Wilmot L. Matthews; Archibald H. Campbell; F. Barry Hayes; S. J. Moore; Isaac Pitblado, K.C., LL.D.; Britton Osler, K.C.; Alexander Maclaren; Paul J. Myler; W. W. Near; Albert Matthews.

At a subsequent Meeting of the Shareholders, the following Officers were elected:—President, Hon. N. W. Rowell, K.C., LL.D.; vice-presidents, Major-General Sir John M. Gibson, K.C.M.G., K.C., LL.D.; Chas. S. Blackwell and E. T. Malone, K.C.

Financial Interest of U.S.A. Will Not Lead to Trouble

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tones of the future of Canada in view of the growing financial interest of the United States and said it called for the serious attention of British bankers, investors and statesmen. He said that Canada was the only exception within the empire where the British might be said to have distinctly lost ground.

An article in the "Statist" in January, 1925, read partly as follows:

"Canada's position inside or outside the British Empire is one that concerns commercial as much as political interests. Some able men have given much thought to the subject. Perhaps the best known to express the private opinion that who a generation ago, spoke voluminously and in a prophetic vein, about Canada's future. His argument was that Canada bore a geographical relation to the United States similar to that borne by Scotland to England. Similarly, too, there would be a political union. Although the Professor—who at that time lived in Toronto— was careful to avoid fixing a period for the assimilation of Canada by the United States, he was know nto express the private opinion that union would be brought about during the 20th century. After the death of Prof. Goldwin Smith there was a slump in the fatalistic doctrine preached in and out of season by him for quite twenty years in the press of the American continent. But the effect of that campaign—one can scarcely call it less—was to fix the idea in the minds of Americans that Canada would be absorbed sooner or later, just as Texas was absorbed. The Professor told them that they only needed patience to round off their republic by the acquisition of Canada.

"The theory took root, and it is still believed in the United States—especially since many Americans have settled in Canada—that annexation is the inevitable destiny of the Dominion..

"It may be taken as a settled thing that at present neither independence nor annexation has any grip whatever on the Canadian people. But that does not imply necessarily that Professor Smith's theory was founded on false premises. Pan-Americans believe that Canada will some day belong to the United States. Those most familiar with the trend of things on the American continent are satisfied that if Canada ever joins the United States it will be the direct consequence of independence. Were a republic of Canada to be formed the whole situation in American politics would undergo sudden transitions. Pan-Americanism would become a cult.

"America's financial interests in Canada are now so formidable that this peaceful penetration may have far-reaching effects. Canada is now more 'Americanized,' so far as money goes than it ever was 'Anglicized,' in the most palmy days of British investments in Canada. If Americanizing tendencies continue on the colossal scale of the past five years, what are 'bogeys' to-day may become real issues in 20 to 30 years."

What History Teaches

In studying a matter such as this, reference to history may help us. If we consider Great Britain's development we fail to find a single case in history where she has wrested political control over a virile people with self-governing ability of a very high order like Canada. Notwithstanding the huge and quickly growing investment of the United States in Canada, it is unthinkable that she would ever seek to take from us our full political freedom, albeit we are likely to be influenced more and more by American methods of industry and standards of living. But that is not incompatible with continued allegiance to the land of our forefathers.

The Imperial Conference that met recently in London, has focused attention on the British dominions. Great advances have been made in inter-imperial relations in recent years. It is a growth of prime importance, not only to the dominions themselves, but to the United States and the world at large. The world now realizes that Canada is more than ever an integral part of the British commonwealth of nations. As such she has her obligations to deal fairly and honorably with all nations. In living up to that standard she can warrant the moral, financial and physical support of the empire in matters of serious international import.

Record of Gains and Losses

The experience of Britain and European powers with their foreign investments is a record of gains and losses. Heavy losses have occurred by Britishers through default of Latin-American states, Russia and the Balkans, Egypt and China. The United States will sooner or later have to meet situations arising out of her foreign investments. Insofar as Canada-United States financial and trade relations are concerned, it seems incredible to Canadians who are predominantly British in sentiment, fair play and breadth of vision, to conceive that a vigilant and enlightened public opinion could permit international complications to proceed to a point that would jeopardize our political control, leaving out of the question altogether the mutual interest of debtor and creditor which in itself can usually settle financial problems. Canadians have learned to settle matters of international dispute by arbitration and with the closer diplomatic relations now existing between the two nations as the result of the recent Imperial Conference, Canadians feel they are well able to adjust any differences amicably. True, views on internal and external policies may differ widely in Canada and the United States, but the business interests and peoples of each country understand one another and the danger of annexation, notwithstanding still closer trade relations, is without the bounds of possibility so long as we remain predominantly British in sentiment and empire in our outlook.

200,000 BARRELS IS FLOW

Heavy Gasoline Production Reported at Royalite No. 4 Well

Over 200,000 barrels of 72 degree natural gasoline were produced at Royalite No. 4 well in the Turner Valley, south of Calgary, during 1926, the record month being January with a production of 20,179 barrels, while a total of 18,447 barrels were produced in December.

There are now three other producing wells in the Turner Valley, the latest to come in being the Macleod No. 2, which came back into production again last week with a flow of wet gas totaling nearly nine million cubic feet per day.